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CANADA'S WEEKLY NEWSMAGAZINE APRIL 15, 1991 VOL. 104 NO. 16

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COVER

THE FUTURE OF THE CAR

For years, critics have said that General Motors Corp., the world's largest industrial company, was bloated and inefficient. But the corporation is now taking innovative, and potentially influential, steps to increase productivity and improve quality in order to recapture market share. Analysts say that the multinational is making some progress—but it still faces many challenges.

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CANADA

'GORBY'S GIRLS'

Elusive young Soviet women recruited at a strip club north of Toronto recruited a bizarre arrangement that they said brought them to Canada under false pretences. Lured by promises of lucrative modelling careers, the women said that they were kept prisoners by two men and forced to work as strippers.

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CANADA

B.C.'S NEW ERA

Continued with a mounting concern revolt and a damning report on his business affairs, British Columbia Premier William Vander Zalm resigned, acknowledging plans to remain in office until his Social Credit party elected a successor. Deputy premier Rita Johnston was sworn in as Canada's first woman premier.

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LETTERS

A DRAGON IN THE STREETS

Your stories on Asian gangs give me the feeling that Asian youths are causing major crimes across Canada ("Terror in the streets," *Canoe*, March 25). We do not deny that there are criminals of Chinese or Vietnamese origin, but criminals exist in all sectors of society—and in all neighbourhoods. You presented an objective comparison of Asian crimes with other organized crimes in Canadian cities. One cannot help but ask: Would other non-Asian crimes get as much sensational coverage as these ones? Inflamatory sensationalism does nothing to promote racial harmony.

Alan Ma,
President,
Chinese Canadian National Council,
London Chapter,
London, Ont.

As someone who has spent over 16 years researching organized crime in the Asian community, I found your coverage of the Asian gang situation intriguing. While much of your editorial represents an honest appraisal of gang activity, there is also a great deal of hyperbole. It is irresponsible to compare Toronto's Chinatown to Hollywood's Chinatown in *Year of the Dragon* ("The Dragons of Crime," *Canoe*). From the Editor's Desk, where people are blown away by submachine-guns at a truly alarming rate. Also, while your piece on Young Che Tung was exemplary journalism, I would hardly describe Tung as a "bigger" of anything. There have been and are many more powerful criminal figures in Toronto, both in and out of Asian groups. While I agree that criminals, especially those that are exploiting the weak and fearful in their own community, must be exposed, Asian gang crime is a complex situation that requires a great deal more sensitivity than I generally found in your handling of the subject.

James R. Dulan,
Toronto

The subtitle on your cover—"Young Asian gangs are spreading fear"—is a sensationalist Canadian cliché—was not acceptable. Asia does not consist of just China and Vietnam. If some Vietnamese and Chinese young people are engaged in violent activities, do not blame all young Asians by using that kind of one-generationism.

G. M. Parvaz,
Montreal

'POSITIVE THINKING' ON UNITY

Columnist Darlene Gordon is truly a voice of clarity on the issue of Canadian diversity ("Change the words to change the mood," *Canoe* View, Feb. 25). He debates the myths



Toronto shooting victims 'Inflammatory'

that the breaking of the urban as a "national credibility," and he advocates on to replace our assumptions of doom with positive thinking. If there were a way to make Gordon prime minister, do you think that he would take the job?

Ronald Klynes,
Windsor

PASSAGES

DIED: Acclaimed dancer and choreographer Martha Graham, 96, at her New York City home, of a heart attack. Although Graham was nominated as a great dancer, her most notable achievements came as a choreographer. She choreographed more than 280 dances, including the American dances *Appalachian Spring* (1944), the career-defining *Caravan* (1954) and her last work, *Night Land* (1964), which premiered last fall. Graham invented the now widely used Graham technique, the first modern-dance alternative to classical ballet. Born in Philadelphia, Pa., Graham made her concert debut in 1926 and continued to dance until she retired from the stage in 1978.



DOWD: Baseball and football star Bo Jackson, 38, a three-year contract with the American League Chicago White Sox, worth a maximum of \$600,000 and up to \$9.2 million, depending on his ability to play. Jackson was released from his contract with the Kansas City Royals on March 22 because of a hip injury that threatens his career.

APPOINTED: By Prime Minister Brian Mulroney, University of Toronto economics professor John Crispo, 57, to the CIBC board of directors. In the past, Crispo has accused the CIBC of having a left-wing bias and has called for the privatization of the Crown corporation. CIBC chairman-designate Patrick Watson, who learned of the appointment from a news story, said that the Prime Minister indicated an agreement

Charles Gordon went overlooked when he wrote that "Bad luck and bad politics killed the Moose Lake serials." Maybe those are condescending words to Prime Minister Brian Mulroney, Quebec Premier Robert Bourassa and company, but I suspect that the vast majority of Canadians would have more accurately written: Good luck and good politics killed the Moose Lake serials.

Don Cox,
Sherbrooke, Que.

RIGHTS AND RESPONSIBILITIES

Is your discussion of the current controversy over the new novel by Best, Eleanore Kim, *Lawrence Sanders* ("Literary Freedom," *Canoe*, April 1), a number of people are quoted who speak about "rights." What an overused excuse "rights" has become. If we must justify everything through rights, where is society's right to a nonviolent, positive setting? And where are an individual's responsibilities? Where is Best Eleanore Kim's responsibility to society—to you and to me—to create a place fit to live in as human beings, not as violent, vulgar animals? Civilization is a thin veneer that may be scratched the constant onslaught of people's "rights."

Laurie Thomson,
Toronto

to consult first before making any board appointments.

LEGALLY SEPARATED: After a five-year marriage, actress singer Daphne Guinness, 52, and singer Vic Damone, 62, filed for the fourth marriage for both.

DIED: Sens playwright and novelist Max Frisch, 79, of cancer, in his home near Zurich. Among his best-known works, which have appeared in more than 20 languages, are his play *The Fireman* and the novel *Man in the Moon*.

DIED: John Carter, 61, American jazz clarinetist and composer, of cancer, in a Los Angeles hospital. A leader in West Coast jazz guitar jazz, Carter was a *MAJESTY* at improvisation and an influential teacher.

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LETTERS

THE REAL GULF STORY

Fred Browning is quite right in observing that most Americans will soon forget a lot of what was really important about the Gulf War ("The other casualties of the Gulf War," Column, March 30). Worse still, many Westerners never knew what was really going on. During and after the war, the images fed to us by the media consisted mainly of war machinery and "smart" weapons destroying targets. We also

saw bag-wearing Kuwaitis, but never clearer images being dropped on fields full of terrified, incapacitated soldiers. Apparently, 180,000 Iraqis were killed, but Marleson's published only one photo of a dead Iraqi soldier. If people are to understand how heinous war really is, they must see scenes of its tragedy and loss of its humanity.

A.C. Browne
Toronto

Fred Browning in his lamentable column fails to identify the real tragedy that he and so many other columnists are experiencing in the after-

math of the Gulf conflict. What Browning cannot stomach is that his apoplexy fell on deaf ears. In the face of overwhelming diplomatic, political and military success in Kuwait, and the beatings of the subjects of North American, his contemporary sounds remarkably like the Indian words emanating from the trumpet in England. Browning's politically correct apoplexy do not reflect the true feelings of the American or Canadian public. Kuwait and the price for liberation will not be forgotten, as Browning cynically predicts. Still, I have the distinct feeling that he will return a vivid picture of the conflict and try to play it back to us, from his frame, so reasonable the image he suggested but never saw.

Michael Robertson
Toronto

Fred Browning suggests that we will forget about Saddam Hussein in a year's time. I challenge Marleson to send every other periodical to display a picture of Saddam's burning oil wells on their front pages until the fires are out. That way, we will remember Hussein for a long time to come. And the other heroes of the war will be those who extinguish the fires.

Donald Keck
Welland, Ont.

MAKING THE GRADE

How fortunate we are that Gen. Norman Schwarzkopf is in the U.S. army and not the Canadian armed forces ("A bear leads the lioness," Cover, March 4). At 56, Schwarzkopf would be past the conspiracy retirement age of 55, and if a thought of us here, there is such a weight of 340 lb., his body-mass index would be over 30, thus, he could be considered "obese" under Canadian defence department regulations. Either of these conditions can be grounds for release from the Forces in Canada, the good general would not have made the standard.

Andy A. McCullough
Windsor, Ont.

A SCARY DECISION

The Ottawa Press Gallery's astounding decision to deny a lifetime membership to a distinguished member, W. A. (Bill) Wilson, because of views he expressed in a question of ethics reflects the immaturity of agents that is symptomatic of the consensus age in which we live ("A serpent in the gallery," Opening Notes, March 4). It is a especially frightening since it comes from a group of people that articulates many of the values of the consensus age. It raises the wonder what their opinions are really worth.

Ned Barrett
Montreal

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LETTERS

RACING TOWARDS POVERTY

Peter C. Newman's "Sliding down the path to Third World status" (*Business Week*, Feb. 29) is 20 years too late. In October, 1971, the Science Council of Canada issued a report entitled *Amnesia in a Cold Climate*, which warned that Canada was heading for the same fate as the Third World. The report offered a number of solutions, including an industrial strategy to support the most viable of our technology-based industries and for the most viable new firms. But politicians ignored them, and so doing we perpetuated the situation. The outcome was inevitable: more losses and fewer winners.

Celia MacPherson,
Prince George, B.C.

SHOES FOR THOUGHT

A photograph of New Democrat Nelson Allen that revealed a hole in the sole of his right shoe caused you to speculate that he might be losing that way politically. ("A poorly heeled political snail," *Opening Notes*, Feb. 22) But I wonder, does his shoe with a hole have support for a triple BEE Season?

Mark Stevens,
Greenville, Ont.

THE NAKED TRUTH

Lawrence MacPherson, Prince Edward Island's deputy minister of tourism, says that showing a naked club as a P.E.I. beach does not fit the province's family image ("An ad campaign exposed," *Opening Notes*, March 13). But it is MacPherson who is setting out a false impression, not the ad depicting the Nation's Way Nudist Club. Since when is nudism associated with family values? Indeed, I have been to a nudist beach and have seen that nudism abounds there.

Robert Poole,
Montreal

A LASTING LEGACY

I would like to thank Peter C. Newman for his excellent article "Wilson's van struggle with a killer debt" (*Business Week*, March 4). However, however, that the roots of our economic problems go deeper than just the fiscal profligacy of the present government. During his 16 years as prime minister, Pierre Trudeau changed the national psyche. From Confederation until 1968, Canadians believed it necessary to live within their means, but Trudeau convinced us that we could live beyond our means—and that the government would foot the bill. Trudeau's legacy will take generations to reverse. This is truly a national tragedy.

Jerry O'Leary Carley,
Burnaby, B.C.



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JAGUAR

A BLENDING OF ART AND MACHINE

OPENING NOTES

Clyde Wells registers with his fans, Kitty Kelley takes on Nancy Reagan, and Jacques Parizeau gets a new look

A PLUG FOR A POLITICIAN

As last summer's *Messiah* takes hold, the winds of history, Newfoundlander Clyde Wells continues to attract supporters from across the country—and from some unusual sources. Recently, the owner of a Sheppard Drug Mart outlet in Ottawa, programmed his cash registers to print the message "Clyde Wells for MP" on all sales slips. The store owner, Brian Sabin, was reluctant to discuss the incident, but he insisted that his decision was not politically motivated. \$10, a store employee, who asked not to be identified, said that her boss admires Wells, who came to national promi-



Wells: his support continues

nence with his steadfast opposition to the Hsieh-Liu accord. Shoppers vice-president of public affairs Arthur Kuzior told *Maclean's* that executives at the company's Toronto head office asked Sabin to remove the message after someone from Finance Minister Michael Wilson's office called to complain. Said Kuzior: "The store owner was reacting to the implementation of the deal and did not intend to offend or compromise anyone." He added: "This is not company policy, and we do not get involved with politics." Wells's public relations director, Judy Foster, said that the promoter is aware of the incident, but that he has no interest in entering federal politics. Said Foster: "He doesn't want to add fuel to the fire by discussing the speculation that he may run for prime minister." But how far knows where to get the prescription filled.

The writer and the odd couple

Is *Tinsel* the latest hit in the series of big screen A case to post? The *Merry Men*, the new, \$25-million comedy starring Kim Cattrall and Alan Arkin. Veteran playwright and screenwriter Neil Simon says that working on the project was an "enjoyable experience—caused largely by the asset behavior of the two Hollywood stars. Neil Simon: "They put me over. They decided to rewrite, cut, new dancing scenes, then they could come in." And he added: "They didn't want to hear what I had to say." Matters got even worse when Arkin and Cattrall began a bitter affair soon after the filming began last May. At times, they even accused screen director Jerry Zucker's authority by issuing their own instructions to the crew. Simon, who has written 23 screenplays since the



Simon walked away from movie set

mid 1970s, abandoned the project in disgust just two weeks after production started. Now, the movie, which advertisements had billed as Neil Simon's *The Merry Men*, no longer bears his name. Simon's screenwriting credit remains.

COURSE CANCELLED

Provisionally funded Dartmouth College of Ontario, Ont., has drawn criticism from *Proseur* Bob Ross, who called the "Buffalo Shopping" course "harmful." The movie's course was actually a week-end shopping trip to the American border city's stores and discount malls. But now, negative publicity appears to have killed it. According to Dartmouth College's Cheryl Bird, students will no longer be able to shop until they drop. Earlier, she had said that because of the recession, the course was merely under "review." Another source that went into



Parizeau before his stylish new haircut—and after

A WINDOW DRESSING

A Quebecer prepares for a possible referendum that will determine their fate. Parti Québécois leader Jacques Parizeau is campaigning over in preparation for holding the separatist campaign. During his political career, the 60-year-old former economics professor has shunned the details of fashion. Indeed, Parizeau is known for his

quite a while he kept wearing the same kind of suit and now he's wearing a new kind of suit, but there's nothing as odd about that." He added: "Everyone has the right to decide how they will style their hair, and he just decided to change the way he did his. There's nothing incredible about that." Times change.

consecutive three-piece suits and his slicked back hair. But last week, on a trip to Washington to persuade U.S. opinion leaders that they could work with an independent Quebec, Parizeau had a stylist on board and he wore a well-tailored suit. Still, first class, assistant director of the leader's office, said that Parizeau has not deliberately changed his image. But Parizeau added that he has received some comments about the new look. Declared Parizeau: "Yes, for

First family

Biographer Kitty Kelley has written two sensational, best-selling biographies of Frank Sinatra, Elizabeth Taylor and Jacqueline Onassis. Now, as the economy winds of *Nancy Reagan: The Unexamined* Diaries, which is being published this week, she turns her attention to the last first lady.



Reagan's revelations

The 603-page book is filled with titillating revelations about both Reagans. According to Kelley, former president Ronald Reagan excited Stacy in 1952 only because she was pregnant. In fact, Kelley claims, he was in love with actress Christine Landon at the time. When Nancy gave birth to their first child, Paul, Kelley wrote, "Reagan was not with her in the hospital because he was with Christine Landon. In fact, he told her [Christine] that he felt his life was ruined." And Kelley reports that Nancy physically abused Paul when she was a child. As sustained source reveals: "Her mother put around her face as with a hairbrush because she didn't do her homework or cleaned her room." But Nancy was devotedly protective of her husband. Kelley writes that she had a direct hand in the firing of at least 20 people connected with the White House. One casualty, writes Kelley, was U.S. ambassador to Vienna Richard Goodwin, "for too much disclosure and too many humiliations." Clearly, "Dragon Lady" is a well-worn nickname.

A RECIPE FOR DISASTER

London, Ont., publisher David Lambert says that the best-selling recipes in the latest edition of his *London Restaurants and Bars* guide is a joke. But it is no laughing matter to the staff, who have charged him with libelously promoting drug use under a section of the Narcotics Control Act. The offending recipe, which calls for either 10 g of hash or one ounce of marijuana, promises to lead "both mind and body in a delightful way that will leave you longing for more." Said Lambert: "I don't even cook. It's not for me. People were supposed to try it." He added that the changes have upset members of his family. "People came up to my mother in church," he said, "and ask if I've gone to jail yet." Old habits and new laws.

POLICE NEUTRALITY

Charge Hobbie, the new month's brutal beating by Los Angeles police of a black man, has been a polarizing and a trigger to deal with violence and racism in the city. Last week, his injury and situation

was the guest of honor at a luncheon given by a group called Citizens Support of the Chief of Police Hobbie, who says that he neither supports or opposes the group, accepted an award for outstanding community service—presented by the Los Angeles Police Department. The A.P.D. police chief was suspended last week by the police commission, although the city council later voted against that move. Said Hobbie: "The case was a lot of pressure on him due to my actions. I feel for the man—he's in a very stressful position."



Galen: 'a lot of pressure'

was on him due to my actions. I feel for the man—he's in a very stressful position."



Vander Zalm after announcing his resignation: a belief that no conflict existed as long as the public wasn't aware

CANADA

B.C.'S NEW ERA

The late-afternoon sunlight beamed the landscaped grounds of Victoria's State Government House. But the gradually fading light cast long shadows, and the serene setting belied the tumultuous events of one of the most emotional days in British Columbia's political history. Just after 4:30 p.m. on Aug. 5, Premier William Vander Zalm announced his resignation to B.C. Lt. Gov. David Lam. Only four days earlier, on Good Friday, Vander Zalm had announced his intention to resign—while insisting that he would stay in office until his Social Credit party chose a successor. But those plans changed with the April 5 release of a damning report on Vander Zalm's business affairs by I&G, conflict-of-interest commissioner Edward Hughes. That, and a mounting revolt within his own caucus, wiped up the last of Vander Zalm's political career. Battening down a brief meeting with Lam, the former prime minister's social, public-life Moosman in a flower bed. "Those are forget-me-nots," Vander Zalm, a former mayor, owner, rewarded to reporters. Then,

A DAMNING REPORT FORCED WILLIAM VANDER ZALM FROM OFFICE AND MADE WAY FOR THE FIRST WOMAN PREMIER

he added, "Don't forget about me now." Events proceeded rapidly on that fateful day in B.C. politics. Just two hours later, Vander Zalm said and deputy premier Rita Johnston walked past the same flower bed on her way into Lam's residence to be sworn in as Canada's first woman premier (page 34). But her predecessor is unlikely to be forgotten—especially in light of Hughes's scathing 61-page

report. The commissioner declared that the premier had consciously breached his own conflict-of-interest guidelines during the five months of negotiations leading to the Sept. 7 sale of Vander Zalm's Richmond, B.C., Fantasy Gardens hotel and seasonal theme park to "business billionaire" Tai Yu. Assailed Hughes. "The premier's problem arose not just from hesitancy to draw a line between his private and public life, but in his apparently sincere belief that no conflict existed so long as the public wasn't aware of what was going on." But Hughes's judgment is not the only one that Vander Zalm faces. The actor is investigating allegations of financial impropriety in connection with the \$36-million Fantasy Gardens sale. A special prosecutor announcing that inquiry is also looking into alleged liquor Act violations at Fantasy Gardens, where Vander Zalm also lived with his wife, Lillian, until January. As well, the Spectator of the bygone era is looking into whether Vander Zalm misled the house over his role in the Fantasy Gardens sale. The likelihood that those inquiries will

keep the former premier in the public eye for months to come spells further trouble for the beleaguered Social Credit government, which must call an election by Dec. 5.

The party, which Vander Zalm led to a decisive victory in the last provincial election in October, 1990, approaches its next campaign in a state of disarray. Weakened by five years of animal disease, scandal and resignation, the Socialists led the opposition New Democrats by as much as 15 percentage points in public-opinion polls. The party has scheduled its leadership convention for July 18 to 20, leaving the victor little time to present a fresh face to the electorate. Last week, Johnston moved to put the Vander Zalm on behind the party, a ruling reported that her longtime political ally should apologize to British Columbian that Johnston may have difficulty stepping out of Vander Zalm's shadow. In her first news conference, she found herself fielding questions about her predecessor. "Why are we so preoccupied with Bill Vander Zalm?"

Gardens deal, and her husband, Dean. The Leung claimed that the money was representative for \$7 million in donor financing on Fantasy Gardens that Vander Zalm had given. Tai Yu almost flew for the first five years of a 30-year term. In all, the Leungs said that the payment represented an advance "good-faith" payment of commission in return for the premier's agreeing to help Tai Yu to obtain properties adjacent to Fantasy Gardens.

Hughes drew no firm conclusions about the reasons for the \$36,000 payment to Vander Zalm—saying that he did not accept the explanations advanced by either the Leungs or Vander Zalm. Still, Hughes said, "Irrespective of the purpose for which Tai Yu provided the premier with that money, essentially well-informed persons could properly conclude the premier was thereafter beholden to his Tai Yu." Indeed, Hughes said that Vander Zalm's behavior after Aug. 4 provided "some evidence" that he had in fact received the \$33,000 in return for passing the sale to Tai Yu of other properties.



Hughes, the premier breached his own guidelines

demanded a clearly frustrated Johnston. Given Hughes's conclusions, that proceedings began searching to discover how to force him out of office. By 2:30 p.m., those discussions became academic, as Vander Zalm held a news conference to announce his immediate resignation. Later that afternoon, as the stadium lighted up on the lawn of Government House to host the official, bringing a turbulent political career to a close, it is particularly bizarre, and

Hughes cited an Aug. 20 phone call from Vander Zalm to Johnston. When Hopper concerning the role of a standard public activities that the Crown corporation owned next to Fantasy Gardens. Commenting to Hughes on his reasons for issuing the call, Hopper said, "A premier of a province depends upon the public." And Hopper acknowledged that the call "helped open the door" for Tai Yu, who did acquire the land. Commented Hughes, "The premier must have been aware that such a call to Mr. Hopper could or even would affect to whom Prime Canada said the lot."

But if Vander Zalm had been aware of such considerations, he gave no sign of it last week. On April 2, shortly before 3 a.m., he arrived at his legislative office from his home \$1.7-million house, on a 28-acre estate less than half a kilometer from Fantasy Gardens. Briefing past reporters, Vander Zalm declared with a tight smile that it was going to be "a fine day." Two hours later, he arrived for Hughes report—while the Socialists began searching to discover how to force him out of office. By 2:30 p.m., those discussions became academic, as Vander Zalm held a news conference to announce his immediate resignation. Later that afternoon, as the stadium lighted up on the lawn of Government House to host the official, bringing a turbulent political career to a close, it is particularly bizarre, and

HAL GUTTEN is in Victoria

National Notes

NATIONAL UNITY TASK

Prime Minister Jean Chrétien, and a spokesman, plans to meet with Liberal Leader Jean Charest and New Leader Audrey McLaughlin to discuss ways of working together on national unity policies. But McLaughlin and Charest quickly placed conditions on any such talks. Charest said it was not prepared to discuss the wholesale transfer of federal power to the provinces. McLaughlin said that the NDP would need first consultation of its role and influence on any unity committee.

BALANCING THE BOOKS

The Alberta government is about its first non-deficit budget since 1984. Projected: a \$104-million surplus, the highest since a \$100-million surplus in 1984. Alberta will also pay about \$100 million more in sales and gasoline taxes and such other costs to buying lessons, example permits and reduce pensions.

GOOD NEWS AND BAD

New Brunswick's Liberal government, expected to call an election later this year, produced a provincial budget that projects a \$1.5-billion operating surplus and continues no major tax increases. But it also imposed a wage freeze on state than 40,000 public employees.

ZARETSKY VS. BUCHANAN

Michael Zaretsky, a former deputy government services minister in New Scotia, filed a \$1-million lawsuit against former Conservative premier John Buchanan and two of his ministers. Zaretsky, whose allegations of patronage against Buchanan last June led to an RCMP investigation, will seek to win, claims that he was the victim of slander and wrongful dismissal.

SLIGHT COMMISSIONERS

Eleven of the 12 commissioners on the Governor General's Council on Canada's Future refused a request from the Commons committee to examine and report on the decline in discipline how much they have helped the government for their work. Only commissioner chairman Keith Sykes agreed to file a list of his cases. Commissioners only bill up to \$600 per day, plus expenses.

FREEDOM'S ALLEGATIONS

Opposition politicians accused Manitoba Premier Greg Fergus's Conservative government of patronage because of its decision to award an underused \$7-million lease for government office space to a company with ties to the party. Fergus denied that political favouritism was a factor and said that the decision used taxpayers' \$1 million in costs.

A first in Victoria

Premier Rita Johnston sets her own course

The hastily convened assembly in the chamberlain's ballroom at Government House in Victoria was brief and lacked the pomp traditionally accorded to such events. But, 59-year-old Rita Margaret Johnston's swearing-in as British Columbia's 38th premier on April 2, following William Vander Zalm's resignation, undoubtedly secured her a place in the nation's history as the first woman to head a provincial government. She achieved that significant feat, however, only after securing her Social Credit caucus colleagues' support by a four-vote margin—21 to 17—on the floor before she chose an action leader. At the root of the accession doubts about whether Johnston, Vander Zalm's transport minister, deputy premier and long-time political ally, could distance the party from one of its toughest scandals, initially, Johnston herself did little to dispel those concerns when, moments after her swearing-in, she said: "I would like to express, on behalf of all of us, our thanks to my predecessor Bill Vander Zalm and his wishes to Bill and Lillian in their future endeavors."

The new premier added, "It's been a rough day," and by week's end it was clear that the days ahead for Johnston and the Social Credit party will be anything but smooth. Johnston's first mandate—and delicate—task was confronting the Vander Zalm legacy. While rumors of her swearing-in, opposition star Lester Michael Macdonald drew attention to Johnston's close relationship with the former premier. By choosing her to succeed Vander Zalm, Macdonald declared, the Social Crediters had "shown that they don't comprehend the magnitude of the problem facing this government."

But Vander Zalm's potential for continuing embarrassment became clear just days later. On Friday, B.C. special prosecutor Peter Freeman confirmed that the RCMP are investigating Vander Zalm for possible violations of the Criminal Code in connection with the sale of family business Pacific Western to first-time buyers for her son, Johnston at first told reporters that she did not intend to distance herself from Vander Zalm. But later, she acknowledged, "I don't think it would hurt if he expressed some type of regret. We have a lot of things to mend."

By the end of the week, Johnston had begun to place her own stamp on British Columbia's government. Declaring that her government regarded a "new chapter" in B.C. politics, she said that she would "start a new cabinet this

week, renege the legislature in early May and introduce a budget. Johnston said that under the nation's first woman premier, women's issues would be given a higher priority. And on one deeply emotional issue, she revealed (see page 38) very much at odds with Vander Zalm's own. The former premier is an outspoken opponent of abortion, and drew criticism for attempting to impose his views on the provincial medical system. Johnston, in answer to a reporter's question, said that she considered



Johnston distancing herself from Vander Zalm

abortion to be "a personal matter between a woman and her doctor." But she also made it clear that "when I wear my government hat, my personal feelings go in my pocket."

Still, Johnston's political career has been entwined with Vander Zalm's from its outset. A former first minister and the mother of three children—Darlene, now 38, Colleen, 37, and Rick, 35—Johnston first entered politics as a Surrey alderman after winning a 1968 election that also saw Vander Zalm elected as mayor of the municipality south of Vancouver. Until 1975, when Vander Zalm graduated to provincial politics, she served as his frequent ally on Surrey's council. Later, when Vander Zalm occupied four terms as Surrey's M.L.A. in 1982, he nominated her to succeed him as the

Second candidate in the riding. Johnston was Vander Zalm's old seat by a narrow margin in the general election later that year. And when Vander Zalm returned to Victoria as premier in 1986, Johnston entered his cabinet with two portfolios: Municipal Affairs and Transit. In 1986, Vander Zalm added Recreation and Culture to her duties, and in 1989 made her minister of transportation and highways. Last August, she became his deputy.

Born Rita Margaret Leuchter on April 22, 1928, in Melville, Sask., the future premier moved with her family to Vancouver at the age of 6. As a child, Johnston recalls, she had little interest in such traditional pursuits as playing with dolls. Instead, Johnston "I'd rather have a new stationary set with pens and pencils. I always loved to write office work." Last week, the premier's mother, Anne Leuchter, 79, revealed that her daughter also enjoyed reading and teaching Sunday school. Just one day after her 58th birthday, at 1:01 p.m., the blond, five-foot, four-inch high-school graduate earned her entry into the hall of fame. George Johnston. Through most of the past two decades, she worked in the office of a New Westminster finance company. In 1967, the couple built a trailer park in Surrey. Their dealings with the municipality during the establishment of the park sparked her interest in politics.

The Johnstons sold their business in 1981. They now live in a secluded house at the end of a long driveway behind large front gates—the estate carved grounds patrolled by German shepherd dogs—on part of what used to be the trailer park. It is the frequent site of casual family gatherings that bring together the couple's three children, their spouses and the Johnston's six grandchildren. In a preliminary statement of her property holdings that was filed with the premier's conflict-of-interest commission earlier this year, Johnston and her husband declared that they also own residential property in Victoria, a recreational property in Idaho, Calif., and a vacant lot in the community of 116 Mile House in northern British Columbia, where two of her children live.

The family's checked property may be more difficult for Johnston to maintain after her role. And her private life will come under even closer scrutiny if she becomes a candidate in the July leadership convention. Last week, Johnston ducked questions about her intentions, saying playfully that she "hasn't closed the door on the possibility of being a candidate."

Before the end of her first month as office, Johnston will celebrate her 58th birthday and 40th wedding anniversary. She knows that it will take talent, energy and luck of those rare moments are to be matched in a year by the celebration of her first anniversary as premier.

HAL QUINN and JOAN PETER in Victoria

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Publicity photo of nine of the women pursuing of modelling careers in Canada

'Gorby's Girls'

Soviet strippers tell a tale of deception

With her long hair pulled back from her high Soviet chokhoma, Illyana Kovaleva speaks in the soft tones of a well-mannered schoolgirl. But during most of her 2½ months in Canada, Kovaleva has struck a more scandalous pose—that of a nude dancer in strip-tease bars. Last week, after her arrest and subsequent release into the care of an immigration counsellor, the diminutive 38-year-old native of Leningrad offered a bizarre account of being tricked into leading the hard life of a stripper. At her side were those friends, who supported her narrative of a strange arrangement in which a Toronto-based network staked its money on 20 Soviet women between the ages of 18 and 30 to Canada with promises of modelling careers. Once in the country, the women said, they were kept prisoners by two men, driven around southern Ontario in a van and forced to work as strippers at bars where they were billed as "The Russian Connection" and "Gorby's Girls." And Kovaleva is an extraordinary case, one of the few women who carried guns, which they threatened to use if

any absolute hostilities, but we had no choice."

Kovaleva's release from that life came after a Russian-speaking bar patron befriended two of the Soviet dancers and called police to the Pro Club, a strip club in Concord, Ont., north of Toronto, on March 38. Officers arrested 11 dancers and two men. The women were released after a two-day detention, but officers charged Illyana Kovaleva, 30, Michael Reim, 36, and their eight-month-old company—later Continental Agency—with 11 counts each of violating the Immigration Act. The men have yet per retained control for themselves, but Tamarsky hired Toronto immigration lawyer Marshall Deslauriers to obtain the release of one of the girls, whom he plans to wed on April 4. Meanwhile, Kovaleva said some other women were placed in the care of the Canadian Ukrainian Immigrant Aid Society and a Russian Orthodox church. Two other strippers were released into the care of men who posed as friends. Meanwhile, Pro Club owner Mary Macdonald told Kovaleva's that later Continental has a total of 30 Soviet strippers. Immigration officials said that they had not heard any other

dancers, but they reported that Soviet authorities had agreed to supervise another group of 35 strippers bound for Canada.

For her part, Kovaleva said that a Soviet woman recruited her and some of the other women by holding a beauty contest in Leningrad, and then obtained visitors' visas for them from the Canadian Embassy in Moscow. After flying to Montreal, the women were driven to a house in a north Toronto suburb where their accounts took their passports and money. She said that the two men told them that if they tried to escape or get help, Canadian authorities would not let them return home. Kovaleva and her friends said that they had earned up to \$300 a day stripping, but added that they had to turn the money over to the men—and received nothing for their labor.

The women also said that the men frequently boasted about the extent of their organization. And Elizabeth, 18 "They were always telling us that they were not just small-time businessmen, but part of a very well-organized Mafia." For many Soviets, those boasts evoke fears of well-entrenched criminal organizations in their country, such as the 70-year-old "Oldman Mafia." And since the 1970s—according to several members of Toronto's Russian community—Soviet criminals in Canada have been importing young women to work as prostitutes, selling Canadian work permits to Soviet newcomers and smuggling works of art and jewelry for sale at underground auctions.

As for club owner Macdonald, she said that the men treated their dancers well. "I saw no bruises, or evidence of mistreatment," said Macdonald. She also offered to release any of the women who are not willing to dance—if they obtain work permits. She added "I couldn't be hypocritical like this." For her part, Kovaleva said that she has no desire to return to strip-tease, and it is undecided whether to remain in the country. But others said that they would like to start a new life in Canada. Indeed, one of the Soviet strippers, Dana Poustovodskaya, 18, last week married a 25-year-old Toronto man who had lived here as he took dinner at one of the clubs.

Meanwhile, a representative for eight of the women has already demonstrated at least one benefit of life in the free world. Last week, Toronto lawyer Paul Chankin negotiated interviews for them with the U.S. Fox network's seldom seen show, *A Current Affair*, at \$375 each.

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Reform's new strategy

The plan is to run everywhere—except Quebec

It was a long-considered gamble. But last week, the Reform Party of Canada took what was almost certainly a decisive first step onto the national political stage. By an overwhelming majority, more than 800 voting delegates, assembled in Saskatoon for the party's biannual convention, approved a proposal for a party-wide referendum to be held in May. That referendum will ask the party's 62,000 members if Reform, now headquartered in Calgary and active across the West, should expand into Ontario and the Atlantic provinces as well. Most observers predicted that the membership would back the advice of party leader Preston Manning and vote in favour of expansion—placing Reform in head-to-head competition with existing national parties. Declared Reform vice-president Gordon Shaw: "The country is begging for leadership. The issues are the same in the West as in Ontario and the Atlantic provinces."

Still, the Reformers persistently avoided one province—Quebec—from their expansion plans. Indeed, in setting out its national strategy, the party seemed intent on positioning itself as the voice of English Canada in any future negotiations with Quebec on constitutional issues. And it's a ready to pursue that goal single-mindedly delegates also rejected a proposal that would have allowed the creation of provincial Reform wings. The proposal was aimed particularly at Alberta, where some members have pressed the party to challenge the Conservative government of Premier Donald Getty. But critics said that any venture into provincial politics risked diverting the party from its national goals. At the same time, delegates approved changes designed to ensure that expansion does not dilute the party's commitment to western concerns.

But the Reformers devoted most of their attention to their plans to expand outside the West and into the rest of Canada—with the exception of Quebec. Manning himself underscored the exception, making it clear that in his view, representation in Quebec is no longer essential for any party to claim national political legitimacy—at least in English Canada. Indeed, declared Manning, other federal parties "cannot represent Quebec and the vast of Canada at the same time." Rather than engage such divided loyalties, delegates to the Saskatoon convention called for a strong central



Manning (right) greeting a delegate on convention floor

government, with strong regional representation—but no special status for any particular province. And Quebec's demand that Ottawa transfer most of its powers to the province, Reform's chief policy officer, Stephen Harper, told the gathering that, if that were the case, he might prefer a Canada without Quebec altogether. The Reform party, he added to a chorus of cheers, was committed to "a strong country built by those who want it—not those who want out."

The Reform party's startling growth in the West since its founding in 1987—and its rapid ascent to second in national opinion polls in recent

months—have provided clear evidence of its appeal. An Angus Reid/Stratford News poll last month asked respondents to choose their federal party of preference. Fully 33 per cent of Albertans picked supported Reform—compared with 17 per cent for the Conservatives, 23 for the Liberals and 25 for the NDP. In British Columbia, Reform drew 34 per cent support, and in Saskatchewan and Manitoba, 31 per cent.

But Reform has found a warm reception for its message of grassroots emancipation outside the West as well. Declared Shaw: "Thirty miles out of Ottawa, they sound as if they're from the west of power as they do in Vancouver Island." Now, many Reformers are eager to offer their own candidates in Ontario and the Atlantic region. Indeed, anticipating that the membership will approve the expansion proposal, supporters have already organized numerous Reform party riding associations in 50 of Ontario's 99 federal ridings.

And the party's leaders took pause last week to suppress any eruption of the realization that some critics have perceived in the party's program—particularly in its criticism of bilingualism—and that might impede its expansion. "There are anglo-kanon and extreme people," Manning told reporters. "We just want to warn them, if they think the Reform party is a threat for that, they're mistaken."

Some veteran Reformers, however, voiced concerns that a broad-based outreach the West could erode that region's influence within the party. Manning moved to reduce those fears, vowing approval for minimal internal changes that were designed to reinforce regional influence in party decision-making.

The three major parties, meanwhile, had showdown at the Saskatoon conference. The federal Conservatives are particularly aware that Reform's gains in the West have been steady at their expense. Since recent Tory setbacks have clearly been aimed at regaining lost support. Among their carving the National Energy Board headquarters from Ottawa to Calgary, and promising to privatize Petro-Canada. And one western Tory adviser: "By the next election, our message to the West will be, 'You don't need those guys.'" But many Reformers clearly saw Ottawa's new alliance as a sign of their increasing force. The party's expansion referendum ballot will be mailed to members next month, with the results to be released by early June. For many confident delegates in Saskatoon, however, there was no doubt that their party had already arrived.

JOHN BOWEN is a columnist with THE CANADIAN PRESS in Ottawa.



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**THE ALLIES COME
UNDER FIRE FOR
REFUSING TO
INTERVENE TO
HELP KURDISH
REBELS IN IRAQ**

Along the top mountain passes that lead north and east out of Iraq, the long lines of Kurdish refugees struggled towards the Turkish and Iranian frontiers, fleeing from the helicopter gunships and Iraqi troops that jet down a Kurdish village. In the air-conditioned corridors and conference rooms of UN headquarters in New York City, the diplomats haggled, trying to find a way to ease the terror of the Kurds and organize the Baghdad regime—which still swears allegiance to Iraq's internal affairs. And in Newport Beach, Calif., President George Bush, whose repeated calls for Hussein's overthrow during the Gulf War had clearly encouraged the Kurds to rebel, reiterated that America would not intervene and risk the lives of its soldiers. Declared Bush: "I don't think there's a single person of a single sex or woman who's fought in Operation Desert Storm who wants to see the United States leave this situation."

That statement was plain in tone with deadly politics. A Washington Post/ABC News poll indicated that only 58 per cent of respondents felt that Washington had any moral duty to go to the Kurds' rescue. But a range of influential opinion makers, many of them newspaper columnists, accused Bush of betraying the moral principles for which he supposedly went to war against Iraq. Marcia Ostrin, an analyst at the conservative American Enterprise Institute, a Washington think-tank, argued: "Bush opted to frame the campaign against Iraq in moral terms and fits in an overall context." And Bush, clearly struggling for his critics, ordered the U.S. air force to drop food, clothing, blankets and other supplies to the refugees in northern Iraq. At noon, he said, were not only hundreds of thousands of innocent lives, but the peace and security of the Gulf."

Meanwhile, the Iranian government inter-



Fleeing Kurds in Iraq approaching the Iranian frontier; encouraged to rebel

took to admit all the refugees flocking towards its borders. But to the north, the Turkish government seemed ambivalent. With waves of thousands of Iraqi Kurds already in Turkish soil, Turkish officials feared that a lack of resources might force them to bar the thousands more who were on the way. The UN High Commissioner for Refugees pledged to make aid to Turkey if it would open its borders. Private relief organizations began sending emergency supplies. And some governments offered cash assistance, including a \$5.5-million pledge from Canada. But overall, the international community seemed unable to master the crisis and realize that it had displaced an opposing Iraqi invasion of Kuwait.

American aid may have reasons for the lack

of consensus support for the Kurds, a tiny, but predominantly Muslim people of ancient lineage who live for the most part within the contiguous border area of Iraq, Iran, Turkey, Syria and the Soviet Union. Estimates of their numbers vary widely, from 15 million to 38 million, including 3.5 to 5 million in Iraq—between 20 and 30 per cent of that country's population of 27 million. In the UN Security Council, the Soviet Union and China, who face rebellious ethnic groups in their own countries, reject the principle of non-interference in another nation's internal affairs. As a result, diplomats debated the terms of a resolution sponsored by France before the council passed a watered-down statement late on April 5 demanding an immediate end to the repression. That resolu-

tion followed a much tougher one laying down the conditions for a permanent ceasefire between Iraq and the U.S.-led forces that freed Kuwait. It required Iraq to pay reparations for war damage and to accept international monitors. At week's end, Iraq said that it accepted the terms, a move that paved the way for the withdrawal of allied troops from southern Iraq. Turkey's ambivalence toward the fleeing Kurds arose in part from Ankara's long-standing campaign to pacify its own native Kurdish population, estimated at between 10 million

and Baghdad's repression of the Kurds as a threat to regional stability and democratic access for international relief organizations. They remained firmly opposed to military intervention. Germany, which declined to participate actively in the Gulf War but helped to finance it, was the most outspoken of the Western governments. Foreign Minister Hans-Dietrich Genscher called the repression of the Kurds "provocative" and insisted that other states had a right to become involved. Amnesty International agreed, "Basic rights abuses are not an internal problem that stays at a country's border," said a statement by the London-based human rights organization.

Meanwhile, in the mountains of the region known as Kurdistan, a vast human tragedy unfolded. Reports from journalists in the zone estimated that 1.5 million to 2 million refugees were fleeing Iraq. To the rear of the struggling refugee columns, which sometimes stretched for 100 km, Hussein's troops chased Kurdish towns and villages in savage reprisals for the revolt, which broke out unexpectedly after the allied Desert Storm victory.

Washington Post correspondent Jonathan Randal reported walking across a mountain range into Turkey with "shoeless guerrillas, orphans, retired civil servants still in ties and business suits, mothers with babies in arms and an old man, clutching his heart medicine." Between reaching Turkey and Iraq said that children were dying of cold, hunger and sickness. Old people were sometimes abandoned by relatives who could no longer carry them. Last children wandered among the columns, looking for their parents. People sought over waves of mud and, as one Iraq challenge succeeded on television, over the carcass of a duck. Randal Beck, a Turkish journalist, reported that Iraqi helicopters dropped phosphorus bombs on civilian refugees near the city of Irbil. "People burned to death smoke cars," he said.

The Iraqi government offered an amnesty to noncommunist resistance, but a Kurdish Democratic party spokesman in Damascus called it "a sick joke." And from a mountain stronghold inside Iraq, guerrilla leader Masoud Barzani vowed to fight on. Addressing members of his Peish Merga ("those who have died") army of banderled fighters, Barzani declared: "It is better to die fighting than to live as refugees." But with government forces controlling all urban population centres, highways and the key border-crossing points, it seemed unlikely that the Peish Merga could pose a serious threat beyond making the occasional hit-and-run attack.

Because of the scale of the Kurds' distress, it was clear that the opportunity for outside military intervention was past. Still, Bush's envoy could be the start of a massive relief effort designed to save some 200,000 victims of the continuing conflict in Iraq. In the process, it could also serve the purpose of easing Western concerns and restoring some of the honour of the allied desert triumph.

JOHN HARRISON and **SEN HASTENRAV** in Cyprus. **ALAN MCKENZIE** in Washington and correspondents report.

World Notes

BLOOD RICE

Poor families in Bangladesh started 31 fasts in a Muslim state in Sacramento, Calif., and demanded \$4.6 million in ransom and safe passage to Thailand. Police refused, and after a week-long siege, the gunmen automatically shot dead three hostages, police said. Moments later, police threw poisonous gas into the store and arrested. In the ensuing gun battle, three of the gunmen were killed, while five others, hostages and the fourth gunman were wounded.

MAILED IN GERMANY

Detlef Ralander, head of a conservative agency that is provisionally banned from German firms, was shot dead by his Düsseldorf boss, and the communist Kad Army faction claimed responsibility. The murder of the 58-year-old Ralander, who had fled authority over the fate of the east's outdated industry—and allegedly the numbers of jobs created—was another blow to Chancellor Helmut Kohl's troubled efforts to reinstate the army's economy.

FREE AT LAST

British businessman Nigel Cooper flew home to London after spending five years and four months in a maximum-security Iranian prison. Cooper, 58, was convicted of spying for Britain and sentenced to death in 1985 while he was in Iran negotiating a contract for the American oil company McDermott International. His release meant hopes that the dozen Western hostages held in Lebanon by Western Muslims could be freed to Iran might be closer to becoming.

YUGOSLAVIAN CONFLICT

Leaders of Yugoslavia's six republics met for a crisis session in Belgrade but failed to resolve disputes that threaten the country with civil war. Amid tensions in the northeastern republic of Croatia, three people were killed in a gun battle between Serbs and Croats, the country's largest ethnic groups.

CHILEAN SLAYING

Communists killed Juan Guzmán, a close adviser of Chile's former leader Gen. Augusto Pinochet, as he was riding in a car to Santiago, the Chilean capital. Two Marxist groups claiming to have secret sympathy for the communist cause reported the murder of the 64-year-old, night watch police. Analysts said that the slaying could lead to a right-wing backlash and cause serious problems for the fledgling civilian government of President Patricio Aylwin, who came to power after Pinochet lost a national poll last year.

THE SOVIET UNION

A world of troubles

Gorbachev vows not to bow to mass protests

A grim winter of discontent seemed set to spring at many parts of the Soviet Union last week—but brought no comfort to beleaguered Soviet President Mikhail Gorbachev. Amid spreading political and social unrest, including a crippling five-week-old coal miners' strike, the Soviet president found that he could not even buy any relief. Intervening personally, Gorbachev promised to double the miners' monthly wages, to \$2,530, in 1992. But leaders of the strike, which has idled 300,000 workers and closed one-third of the country's nearly 600 mines, rejected this offer, saying that the new promises did not even match fulfilled pledges that the government made two years ago. And they continued to press political demands not addressed to the Kremlin's office—most notably that Gorbachev resign. The Soviet president, however, in a sometimes emotional speech to miners' representatives, vowed that mass protests would not have him from office. Declined Gorbachev:

"No matter how much they trouble us or while at us, we must know that they are not from the square, but we will set them free."

For all the president's impassioned rhetoric, popular dissatisfaction with his economic and political policies is clearly growing. Gorbachev continues to face open resistance from the country's native republics, several of which are demanding full independence. And last week, in addition to the coal miners' strike, more than 28,000 writers from other industries filed the mass square of Moscow, the capital of the Byelorussian republic, to protest steep increases in the prices of consumer goods. Gorbachev is also likely to encounter a continued challenge from a familiar opponent:



Yeltsin: new powers

last week, Russian legislators voted sweeping new powers to Boris Yeltsin, the president's archrival and the chairman of the sprawling republic's parliament.

By a vote of 607 to 258, with 238 abstentions and 48 absences, delegates to a special session of the Russian Congress of Peoples' Deputies gave preliminary approval to a measure that will allow Yeltsin to rule by decree over a territory that contains more than half the Soviet Union's population and most of its landmass and resources. That vote broke a deadlock between reformist legislators and hard-line Communist deputies, who had initially called the emergency session in an attempt to remove Yeltsin from office. The hard-liners failed to muster sufficient support for that goal among the 1,063 members of the congress. But Yeltsin's conservative opponents did manage to delay passage of a constitutional amendment to create a directly elected presidency—a post that the popular liberal politician would be almost certain to win.

In the end, Yeltsin proved enough similar powers to Russia to those that Gorbachev assumed elsewhere last year at a meeting of the Soviet parliament. Unlike Yeltsin, however, the Soviet president has the backing of the army and the sea. And it is still unclear whether Russian officials would obey Yeltsin in any showdown with Gorbachev. Sev-

erid Russian deputies said that they hoped the two presidents would end their debating power struggle and the so-called war of laws between the Kremlin and the rebellious republics. For one thing, Soviet Finance Minister Vladimir Orlov said last week that the central government was facing economic collapse because Russia and other republics are withholding their contributions to a federal budget that has already received a first-quarter shortfall of \$60 billion—in amount that is greater than the projected deficit for the entire year.

But in Moscow outside sparsely stocked state stores ordinary Soviet citizens say that they are more preoccupied with steep price increases that took effect on April 2—part of a Kremlin effort to narrow the gap between retail prices and the cost of production. Outside a bakery at southeastern Moscow, 67-year-old Larisa Ievleva expressed doubt that the price hikes would lead to a better life. Clinking a loaf of bread that had tripled in price to 30 cents, the former store clerk scoffed at suggestions that her recently doubled pension of \$65



Moscow shoppers preoccupied with steep price increases

per month would cover the increased costs. "They say that this is the first step towards a market economy," said Ievleva. "But I will believe that when I see more goods in the stores." Such complaints received a sympathetic hearing from Stanislav Shatalin, a Moscow economist who narrowly failed to persuade Gorbachev to adopt a radical privatization pro-

gram last fall. Without free enterprise and private property, said Shatalin, "all steps taken by the government, including the advantageous raising of retail prices, are economic nonsense." As a result, Shatalin has renewed his plans for a tougher version of his so-called 500-day plan, arguing that it is still the only solution to the current economic crisis.

Yeltsin already supports wider economic reforms and would be likely to press those views at any reconciliation with Gorbachev, a step that growing numbers of supporters and opponents alike are urging upon the Soviet leader. Said Dmitri Volkogonov, a reformer historian: "They are not ready to meet, but they must." Vladimir Lukinovich, a commentator for the official Soviet news agency TASS, expressed similar views. "In particular," said Lukinovich, "it would be much easier to stop the miners' strike with the help of the Russian cabinet, because it has an available advantage over the federal government: security, grassroots popularity." As protests against Gorbachev's rule grow louder and longer, a trace with his aid could be seen of the few political reformers that remain for the embattled Soviet president.

MALCOLM GLASS in Moscow



Dad taught me a lot...
but some things he
let me discover for
myself.



ALBANIA

Ballots and bloodshed

A Communist victory sparks widespread unrest

In a dirty but bloodily tainted blanket, with streamers trailing from its lines, 16-year-old Harris Morais lay in a hospital bed in Shkoder, 110 km north of the Albanian capital, Tirana. Morais told *Newsweek* that on April 3, after Albania's Communist authorities announced that their party had won the unopposed country's first multi-party election since they came to power in

1944, he joined hundreds of other protesting students in front of the local Communist headquarters. "We were saying things like 'death to the Communists' and 'Tito!'" Morais recalled, when suddenly shots rang out, killing 39-year-old local opposition leader Arben Dine. "We all broke up in panic and started to run away," Morais said. "And that's when they got me."

A bullet lodged inside his breast, rendering Morais unconscious when angry protesters attacked the headquarters. They pelted the building, and Communist forces killed four people and wounded 50 others. The violence in Shkoder was the worst in a series of protests across the tiny Balkan country after the communist Party of Labour won 362 of the 393 seats in parliament during the March 30 vote. The main opposition Democratic Party captured 65 seats, and two small parties split four seats. Run-off elections for another 19 seats were scheduled for April 7. Democratic Party officials accused the government of vote fraud and intimidation. Some Western election observers reported accounts of intimidation, although others said that the voting itself had been fair, even though the Communist control of the media had given overwhelming advantages to its vote. Said Beth Plimney, one of three Canadian observers: "I was absolutely amazed at how well the voting was run. But I think it's fair to say that it was not a level playing field." Added Plimney, the vote was "a step in the right direction. The Democrats have made good inroads. If the government allows them to act as an opposition, it's a huge gain."

Many opposition leaders, however, expressed fear that the Communists would abuse the economic and political reforms begun when President Shkiperi died in 1982. "The strongest enemy of Shkiperi was party chief Enver Hoxha as party chief for his death in 1985. In the vote last week, Hoxha had an important referendum last time our

parliament was released only last month during a general amnesty for political prisoners."

"It's hard to believe to go home," he said last week after casting his ballot for the Democrats. "If the Communists return to power, a lot of people who spoke their mind freely during the campaign will suffer even more now."

In the buildup last week, the Democrats won most seats in the cities while the Communists captured much of the countryside, where two-thirds of the nation's 3.5 million people live. This urban-rural split may heighten social tensions in a country already struggling to emerge from decades of isolation and economic mismanagement. The poorest country in Europe, Albania's per-capita income in only \$103 a month. Opposition leaders say that the unemployment rate is nearly 50 percent as scores of factories have closed in recent months because

they have run out of raw materials. And in a country where the government permitted car ownership only last month, bicycles are now Albania's only form of private transportation. Said Jack Buchheit, a former congressman from St. Louis, Mo., who observed the elections: "This is a country which is just crawling out the second half of the 20th century."

Both towns in Shkoder and Korça, which lies 45 km south of Tirana, could prove flash points for unrest if the economic situation does not improve. In Korça, opposition leaders say that nearly 80 percent of the workforce is unemployed and the local and local battle factories and paper mill have closed their doors. Many of the young men in Korça have fled ships last month in Greece, Albania's Adriatic seaport, and forced the captain to take them to Italy—part of its exodus of nearly 40,000 citizens who have fled to the West since last July. "We demand a real democracy, and we



Police chase anti-Communist protesters in Tirana; divisions between town and country

will we do it at any price," declared 23-year-old Edmond Kushi, who joined an angry crowd of about 400 people watching the winners of a passing car—the few cars in Albania are generally owned by Communist officials.

In Shkoder, virtually the entire 75,000 population attended a funeral for three of the demonstrators killed in last week's clash with police. People lined the streets and waved V-for-victory salutes as soldiers passed carrying the flag-draped coffin. Shkoder's *Express*, the voice of anti-opposition leader Dine, threatened to exact vengeance on "those who have betrayed the interests of the people." It later called Albania's tentative democratic reforms are clearly in peril.

MARY KEMETZ with JOHN WILLIAMS in Tirana

THE UNITED STATES

Flying into tragedy

Fiery crashes kill two U.S. politicians

Two prominent politicians, two teenage pilots—two fiery tragedies that took 27 hours apart. On the afternoon of April 4, Pennsylvania Senator John Tower, a 52-year-old Republican and the sole link to his great-grandfather's landing and public empire, was approaching Philadelphia aboard a private plane when his pilots reported terrifying trouble. Nearby, the pilots of an oil-company helicopter heard the loaded cargo and offered to examine the landing gear. But the two aircraft collided in midair, scattering fiery debris over a suburban elementary-school playground. We saw all three pieces of helicopter burning," said Todd Hicken, 9. "Everybody was crying." In all, seven people died: four pilots, two six-year-old girls—and House

senator John Tower. A 60-year-old Republican, Tower had served as chairman of the Senate Armed Services Committee during the last four years of his 24-year Senate career that ended in 1980. But he was perhaps best known for his unsuccessful bid to win Senate confirmation as secretary of defense four years later—a nomination that bounced over charges of alcohol abuse and mistreatment. Last week, Tower was a passenger on an Atlantic Southeast Airlines commuter plane flying from Atlanta to Haverhill, G. when it crashed just before landing, killing all 23 people aboard, including Tower and his 18-year-old daughter, Marisa. Like the Pennsylvania collision, the Georgia crash is under federal investigation.

Unlike Tower, whose political career was clearly over, Hicken was apparently in his prime. First elected senator in 1976, he already had twice served national offices for his uncle, his family's Pittsburgh-based (H.J. Heinz Co.) made him one of the richest men in the Senate, with an estimated worth of \$25 million. But Hicken gradually achieved a laid legislative record, championing the elderly and the largest rating in steel industry—until winning reelection in 1982 by one million votes, the largest margin in the state's history. Gov. Robert Casey said last decade whether to appoint or interim replacement before a special November election in which voters had chosen a new senator to complete Hicken's six-year term.

BOB LEVIN with JENNIFER GOSLO in Philadelphia and correspondence reports



The Air Bar club, Smith (below): images of wealth, power, tragedy and scandal

A star-crossed family

A woman reports a rape at the Kennedy home

The Kennedy name in the closest American to royalty, evoking images of wealth, power, accidental tragedy—and occasional scandal. Those were the tales of Senator Edward Kennedy's daughter, Mary Jo Kennedy, 21, who was the principal crash victim on April 19, 1984, when her brother, Senator Edward Kennedy, drove a car off a way beside him in Chippewick, Mass., crashing his 19-year-old passenger.

Just a week, scandal struck the star-crossed clan again in Palm Beach, Fla., a glassy ocean playground for the rich and famous, a 20-year-old woman reported in police that she had been raped at the Kennedy's beachfront. La Guardia campus at New York's best, police announced that the woman had described her alleged scandal as the senator's nephew, 30-year-old medical student William Kennedy Smith.

Reports of the incident first became public on April 1. According to Palm Beach police, the woman said that at the popular 500-room club on Good Friday evening, she had seen Smith, Senator Kennedy, 58, and Kennedy's son Patrick, a 23-year-old Rhode Island state senator. Shortly before the club closed at about 11:30 a.m. Saturday, the woman said, she was arrested in the Kennedy beachfront mansion for drink. She claimed that she was raped there at about 4 a.m. Police said that the woman was treated for minor injuries at a local hospital and

released—although her friends told reporters that she had suffered broken ribs.

Police identified Smith as a suspect in the case just hours after district judge Richard Orlow ruled that they had a right to withhold information about the investigation. Christine Simon, a lawyer representing local media organizations, had asked Orlow in order police to release details of the alleged assault, arguing that they were withholding information "to protect a wealthy and influential family."

Both Smith and the two Kennedy daughters had earlier released statements denying any involvement in the incident.

And police said that they had not determined whether rape had actually occurred, nor had they laid any charges against Smith, a fourth-year student at Georgetown University in Washington and the son of Senator Kennedy's sister, Patricia Kennedy Smith.

Palm Beach lawyer Mark McLean, who was Smith's roommate at Duke University in Durham, N.C., in 1973, defended his friend. "While it would be the last day in the world who you would expect to find being accused of a rape," he told *Newsweek*, "He's quiet, and reserved, low-key—I've got to be under the allegation are unfounded, based on Willie's character." Under the glare of sensational media attention, however, Smith's character, and the Kennedy name, will continue to be the focus of heated speculation.

MARY KEMETZ with correspondence reports

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LIVING WITH THE GST

THREE MONTHS
AFTER ITS
INTRODUCTION,
THE TAX NO
LONGER CAUSES
PUBLIC OUTRAGE

Guest Tiger is an instantly among Canadian retailers. Since January, most of the Ontario-based discount chain's competitors have been warning their shoppers to brace for the introduction of the seven-per-cent Goods and Services Tax in the midst of a recession. But John Grant, 54, who co-owns Grant Tiger's GST adjustment program, credits the chain's explosive popularity with cautiously increasing its sales in the first three months of the year. In fact, the March, Grant Tiger stores sold 18.7 per cent more than in the same month a year ago.

To ease its customers' reactions to the new tax, Grant Tiger put up signs in its 87 franchised stores in Ontario and Quebec promising to pass along to shoppers all government rebates on the former 13.5-per-cent manufacturers' sales tax. Franchisements placed fluorescent price tickets showed consumers that the replacement of the old tax with the new GST meant an overall decline in the price of every item subject to the GST. "We knew that the GST was a confusing issue for consumers and could scare them off," explained Grant. "We felt we needed to be up front with them and to clearly identify the changes in order to settle on the issue."

After three months of living with the GST, few Canadians are as sanguine about the tax as Grant. Still, much of the intense public fear that surrounded the GST debates in Parliament last year has dissipated. Ironically, the controversy has subsided just as the predicted adverse economic effects of the tax have come to light. Last week, Statistics Canada reported that retail sales in January plummeted by 4.1 per cent compared with a year ago, the worst monthly decline since 1964. The agency's index of 34 key economic indicators also fell by one per cent in January, the 18th straight monthly decline and by far the largest of the current recession. Both private and government economists blamed the dip in part for dampening consumer demand and predicting the downturn. The costliest signs of economic weakness, in turn, prompted Canada's sociology-oriented chartered banks to lower their prime lending rates by a quarter of a percentage point, to 10.75 per cent.

Still, however, the gloomy economy seems less likely to relax its widespread public expression of opposition to the tax.

Jelinek: GST revenues will not be debated until May



opposition to the tax. Prior to the hasty passage of the GST legislation in the Senate last Dec. 13, 1.7 million Canadians signed a petition against the tax, and labor unions and other GST opponents organized two days of nationwide protests. But information officers who staff the toll-free hot line before in Ottawa say that as the conflict in the Persian Gulf escalated in mid-January, public preoccupation with the tax began to subside. In total, the number of hot-line calls dwindled to about 5,000 a day at the end of March from 14,000 in mid-January. The officers also state that of the 390,000 calls recorded since last September, only 6,500 complained about the tax. Even David Simpson, executive director of the Consumers' Association of Canada, which opposed the way in which the federal government implemented the tax, concedes, "The initial reaction phase was much smoother than anyone predicted—unusually so."

Many corporate executives claim that this newsworthy and timely preparation for the GST eased the transition. Grant says that the switch from one tax regime to the other cost Grant Tiger about \$400,000 in new office equipment and lower profit margins. For several large retailers, the cost was much higher. Zellers, Simpsons and the Bay department store chain, all owned by the Thomson Corp., together budgeted between \$4 million and \$5 million for updating their computers and restructuring their employees to help to handle the tax change.

The federal government is also investing extra expenses to implement the tax. The department of national revenue spent hundreds of millions of dollars on start-up costs for the GST program and has budgeted \$250 million to administer the tax in the current fiscal year. The funds will cover such tasks as the GST Customer Information Office, an expanded staff and larger office space.

In addition to imposing additional costs on

business and Ottawa, the GST has also triggered a sharper than predicted jump in consumer prices. In January, Canada's unseasoned inflation rate, propelled by the GST, soared 1.6 percentage points to 8.8 per cent. Finance Minister Michael Wilson had predicted last year that the GST would add only 1.25 percentage points to the 1991 inflation rate. Still, some economists predict that the GST price shocks will be only temporary. Declares Michael McCracken, chief economist and president of International Ltd. in Ottawa, "The steep re-

inflation, since Jan. 1. Furniture and appliance makers have also received price under the new tax regime. McCracken adds, although they have reacted more slowly than automobile manufacturers have.

Still, critics claim that the tax is an unpopular answer. Catherine Swift, chief economist at the Canadian Federation of Independent Business, argues that the revolt against the tax has merely gone underground—and across the border. For 1990, Swift anticipates that last year's 53 million border crossings will



Grant: 'We needed to clearly identify the changes in order to soften the blow'

than was a temporary, inflation effect and it shouldn't occur again." Indeed, the inflation rate subsided to 6.2 per cent in February.

As well as blaming the GST for fueling inflation, the Consumers' Association's Simpson and other critics claim that Ottawa is earning greater revenues from the tax than it predicted. But Revenue Minister John Jelinek says that the exact amount of GST revenues will not be tabulated until May, when all Canadian businesses will have filed their first-quarter returns.

Despite the jump in the inflation rate, McCracken says that consumers who purchase cars, appliances and other large items may be saving money because they are now taxed at a lower rate under the GST than under the old manufacturers' sales tax. "In a weak economy, merchants will give along rebates from the previous tax regime in order to encourage spending," he says. Stock prices for North American-based cars, for instance, have declined by about four per cent, or \$800 per

vehicle, since Jan. 1. Furniture and appliance makers have also received price under the new tax regime. McCracken adds, although they have reacted more slowly than automobile manufacturers have.

Other GST opponents predict that there will be more serious consequences to come from the impact of higher GST-related prices. "The transition may be smooth, but the longer question," says Simpson, "is whether consumers will fundamentally alter their consumption patterns and change the chance for economic recovery." For Canada's battered economy that would be one more cruel blow.

DEBORAH MCCracken

OUT OF WORK

The national unemployment rate rose to 14.6 per cent in March, its highest level since the 1970s—up from 10.2 per cent in February. Statistics Canada said that the construction and public administration sectors were the hardest hit. The total number of unemployed rose 1.4 million, 43,000 more than in February. Meanwhile, the total number of employed people increased by 2,000, to 12.3 million.

A RURAL PROBLEM

The Rural Bank of Canada says that the worst of the recession is over—and that a moderate recovery will be in the third quarter of 1991. Still, Richard Newell, executive vice-president of economic and government affairs for the bank, warned that the North American economy will remain vulnerable because of high federal deficits in Canada and the United States.

NETWORK CUTS

The Toronto-based City Television Network announced that because of less-than-expected advertising revenues, it was laying off 23 of its 377 employees and closing down its news bureaus in Newfoundland and Manitoba. The network will now rely on its affiliates in those markets for news coverage. In addition, cbc Newsworld, the all-news cable network, said that it had lost 60 of its 300 more than 200 employees and cut four hours a week of original programming. Newsworld will also merge its Winnipeg operations to Calgary.

A NEW SHIRINE

The Montreal-based Canadian insurance firm held a \$150-million, 21,000-sq-ft factory store as part of a \$450-million development in the heart of Montreal by 1994. The Midway Co. Ltd., which owns the Canadian, said that it had not yet decided what to do with the Forum, where the team has played hockey since 1984. In another development, the Toronto-based Hines announced that it has written off a \$125-million stake in its 10-story Harbourside Holdings Pty Ltd., the parent company of Australia-based Elders Pty Ltd.

THE RETURN OF KIRKLAND

Thomas Kirkland, president and chief executive of the C.D. Howe Institute, a Toronto-based conservative think-tank, is returning to Bay Street after an absence of two years. Kirkland, 50, who was president of Scotiabank Ltd. and is now a commissioner on Kirk's Super's Closure Panel on Canada's Future, will succeed the retiring chairman of First Monarch Inc., an investment corporation.

A bottom-line bruising

Royal Trustco prepares for a comeback

Michael Cornelissen, the lonely accountant who is president of Toronto-based Royal Trustco Ltd., used to joke that his biggest competitors—Canada's six top chartered banks—were so huge that "they haven't been able to see their toes for years." But while Cornelissen was picking fun at the Big Six for their size, he also was overseeing a major drive to increase the scale of Royal Trustco's own operations. Now, many Bay Street analysts say that Royal Trustco, too, has lost sight of its lower endgame. In January, the trust company reported a loss of \$45 million on assets of \$44.1 billion in 1999—and last week, a banker Cornelissen appeared before shareholders at the company's annual meeting to defend his strategy of aggressive overseas expansion, which contributed to the firm's problems. Cornelissen, 47, whose resignation as the company's board of directors occurred earlier this year, took personal responsibility for the losses. He added: "We have a couple of black eyes, but no broken bones."



Company headquarters in Toronto's uptown

Adding to Cornelissen's troubles is the fact that almost all of his major clients earned substantial profits last year. Canada Trust, which has been competing neck and neck with Royal Trustco in recent years for first place in the trust industry, emerged a knockout winner in 1999, earning a \$121-million profit on assets of \$35 billion. Meanwhile, Royal Trustco, which is controlled by Edward and Peter Beaudouin's corporate empire, also performed far worse than age of the major banks. None of the Big Six came close to losing money in 1999, and several reported record profits.

Royal Trustco's current difficulties stem to a large extent from the company's European operations. A severe recession in Britain triggered large losses as Royal Trustco's real estate lending, and what efforts of the Japanese stock market crash caused problems with its subsidiary in Switzerland. In all, Royal Trustco announced in January that its European operations had lost a \$150 million in 1999. Cornelissen, who came to Royal Trustco in 1983 after a year spent at Trustco Corp. Ltd., one of the Bradford brothers' real estate companies, blames the problems on the local European management teams, who have since been replaced by new executives from the firm. Royal Trustco's head office declared Cornelissen: "He made conservative provisions and started 1991 with a clean slate."

While some financial ana-

lysts disagree with Cornelissen's easy assessment, others say that last year's losses may be only the first of several problems created by Royal Trustco's reckless global expansion drive. In February, the Toronto-based Dominion Bond Rating Service downgraded the credit rating on Royal Trustco's long-term debt to A- from AA. Dominion said in a statement that Royal had "yet to prove" that its operations in the United States and Switzerland gave it a competitive advantage.

Royal Trustco is not the first Canadian financial institution to suffer costly setbacks abroad. In recent years, most of the Big Six banks have sharply cut back their foreign lending and have taken huge write-downs after losing hundreds of millions of dollars on Third World loans during the 1980s. Still, Cornelissen and his Royal Trustco remain

committed to building an international network in order to offer a greater choice of services, such as worldwide private banking, to its Canadian customers. Added Cornelissen: "It's a classic case of synergy. While any one of the components of the international network might not represent huge potential, when you put them all together it enables you to do business that you couldn't do otherwise."

But some of Royal Trustco's competitors question the wisdom of its globalization strategy. They ranked National Trust, for one, has concentrated on the Canadian market rather than venturing abroad. Says Henry (Odo) Jenkins, chairman of National Trust: "It's ridiculous. How in the consumer letter served if you stay in Canada and concentrate on the domestic market, a trust company should be able to grow at least at the same rate as the country is growing—and if you get in edge in your competition, you can grow a little faster. You don't need more than that."

In addition to defeating Royal Trustco's poor financial performance, Cornelissen also had to secure approval at last week's meeting for a controversial change to the company's management share-purchase plan. In return for interest that are lower than the industry average, Royal Trustco executives, like others in the Beaudouin's corporate empire, receive large, interest-free loans to buy company stock—an arrangement designed to give them a direct financial incentive to increase the firm's share price. Those loans used to come due after five years, but last week the shareholders voted to extend that to 10 years. With Royal Trustco's shares currently trading at around \$9, down almost \$20 a share in 1999, executives wouldn't come due soon might have had to dig into their own pockets if the assessments had failed. Cornelissen himself owns an undisclosed amount of shares that he borrowed \$10.6 million to purchase.

Still, several trust shareholders who attended the meeting complained about the change in the stock-purchase plan. Beaudouin one disgruntled investor: "The substantial losses of the company are caused to a great extent by errors of judgment and over-investment mistakes made by the same senior executives whose virtual interest-free loans shall now be extended."

Indeed, the result of the shareholder vote seemed to indicate that those who will the fate do not necessarily have to pay the price.

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The king of Bay Street

Tim Miller personified the roaring 1980s

Luxury automobiles lined the spacious boulevard in affluent North Toronto, while on the lawn a host of the pale-skinned white man, stockbrokers spoke in heated voices into portable electronic telephones. It was clearly a strong, far-well for Timothy Miller, the charismatic stockbroker who, for many Canadian investors, came to personify the roaring bull market of the 1980s. Miller, the 43-year-old president of the Toronto-based investment dealer Midland Wilkys Capital Inc., who lived in the house, died on March 28 of an apparent heart attack during a vacation in Indianapolis as he started the U.S. college basketball championship.

Miller, whose six-foot, six-inch frame gave him a commanding physical presence, had a larger-than-life reputation on Bay Street, both for his prodigious spending habits and his savvy investment skills. He frequently wore colorful, custom-made suspenders, and a characteristic display of exuberance two months after the 1987 market crash, allowed himself to be photographed by a Toronto magazine during with a newspaper-stuffed bear. But Miller was also a man of family man who devoted much of his private life to charity. Said Tully Coastline, a friend and colleague of Miller's for a dozen years, "Tim was intensely aware that he wanted to live his life today. He used to say that the only things one could leave behind were memories and photographs."

Bay Street investors will likely remember Miller best for creating 42nd Street, an enormously successful retail stock brokerage that formed part of Wood Gundy Inc., Canada's second-largest investment firm. Miller, who completed a commerce degree in three years aimed at the credit line in St. Mary's University in Halifax, joined Wood Gundy in 1971 as a 25-year-old retail sales trainee. Within four years, he had become the firm's top salesman. In 1983, he launched a special retail division that he named 42nd Street, for its location on the 42nd floor of a downtown Toronto office tower and after the

then-popular Broadway production of the same name.

Miller left Wood Gundy in 1987 to become president and chief executive officer of Wilkys Securities, a Toronto-based firm. Wood Gundy sold Miller—who took most of the 42nd Street staff with him—Wilkys and three former Wood



Miller, "enormous concern for the well-being of his clients"

Gundy brokers for \$355 million. The center was settled in Wood Gundy's favor in December, 1988, for \$1 million in cash and options on more than 250,000 Wilkys shares. Miller later hoped to separate Wilkys's merger with Montreal-based Financial Corp., which became Midland Wilkys Capital in 1990.

During his 20-year career on Bay Street, Miller gained a reputation as the quintessential stockbroker. Said Robert Schulz, chairman of Midland Wilkys: "Tim had a lot of vision, the unadorned truth in the investment business,

like the potential of mutual funds, long before the others. And no one ever talks about his enormous concern for the well-being of his clients."

At times, however, Miller's colorful personality overshadowed his financial achievements. A fan of fast cars, Miller drove a red Porsche with personalized license license plates, owned a six-chamber in Glen Haven and a cottage in Orillia, both north of Toronto. He also loved to travel abroad and took at least three annual vacations each year.

Family also played an important role in Miller's life. Miller and his wife, Cathy, had two children, 19-year-old James, who was with him when he died, and Sarah, 16. One friend said that the Montreal-born Miller, whose parents died when he was very young, "was an orphan who built a family around himself." That was most apparent in Miller's seldom-forgiving charity for charity. Said one broker, "I thought I knew this guy through business over the years. I honestly had no idea there was that much more to him."

Miller's charitable work focused primarily on children. When at Wood Gundy, he introduced the practice of donating to a children's charity on the day of 42nd Street's commission during the Christmas season. Despite the economy that surrounded his departure, Wood Gundy announced after his death that this year's fund-raising event would be called Tim Miller Day at his honor. Miller also helped to organize a summer camp for children suffering from cancer.

For those in the investment industry, Miller's sudden death seemed especially poignant because of the recent optima in his fortunes. Last fall, he received his bid as the president of Midland Wilkys Capital after a struggle for power with the firm's chief executive officer, Anthony Arrell. Arrell has since left the firm over policy differences. More recently, Midland Wilkys successfully completed a \$31 million refinancing by a private placement of its common stock with senior management, employees and institutional investors. Its share price had more than tripled to \$7.50 as the stock market gradually regained strength in 1991. Said Coastline, "It is sad that his life should end just when things were working out so well for him."

Miller himself, however, usually found a reason to joke about his circumstances. In December, 1988, he told a friend that at his funeral, he wanted a friend to look in his hands and think a security guard to serve as his pallbearer. Said the friend: "He wanted the headlines to read, 'Miller takes it with him.' It was the kind of irreverent remark for which he was famous."

DEBBIE MONTRO

EVERY TIME INDUSTRY CHOOSES NATURAL GAS, THE SHOW-OFFS IN CORBETT'S CREEK SEEM TO LEAP A LITTLE HIGHER.

THE ACROBATS at Corbett's Creek usually put on quite a show.

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The premier who deceived the people

BY PETER C. NEWMAN

There's a game political jargon play that consists of trying to remember what five of Canada's most legitimate provincial premiers had in common: Woodrow Lloyd of Saskatchewan, Barry Stoen of Alberta, Bob Smith of Nova Scotia, Frank Miller of Ontario, and Walter Winter of Manitoba. The answer is that they followed a strong political figure or dynasty, served only one term or less, then suffered a devastating defeat, dragging out temporary oblivion not only themselves but their parties.

William Vander Zalm now joins that distinguished company, although he will not stay in the oblivion. Not many men like it. His name will become a political metaphor. To do "a Zalm-field" means losing every seat you've got, such as "Vander Zalm" will apply the inability to recognize any official difference between private campaign and public duty.

In the initial 90 months he was to offer the B.C. premier, his own hot-line radio show first may be so signed, sold printing rights and even marketed a line of his wife Lilian's handbags. Most of that material will be used later for him to tell British Columbia, his biblical chosen flock on the outskirts of Vancouver.

When a politician lies, it's usually to score points against an opponent, or to camouflage some pledge or promise he no longer intends to keep. In Vander Zalm's case, he stretched the truth to its breaking point, for the reason that there was nothing wrong with what he was doing—so long as no one heard about it. (Finally, we have an answer to the riddle about the sound of one hand clapping.)

He had maintained from his initial swearing-in that he had nothing to do with owning Pottery Gardens, but had turned the project over to his wife. Yet when documentary proof was produced that he actually owned 63 per cent of the place and had signed off his company's balance sheets to that effect four years running, his only answer was that he would be stupid not to be deceived. Vander Zalm's

Bill Vander Zalm's confession that he had been stupid after an appropriate defence, but even his enemies thought he could read

confession that he had been stupid was a brilliant and entirely appropriate defence, but even his enemies assumed that he could read.

This was no small transaction. He had purchased Pottery Gardens for \$1.7 million in 1981 and sold it for \$15 million six years later. He was misleading not only about the Gardens' ownership, but also about the details of its sale. Good thing, some of his testimony under oath to conflict-of-interest commissioner Ted Hughes led Hughes to conclude that the premier "deliberately withheld information."

Worst of all, he misquoted others in his deception, using the good offices of Lt.-Gov. David Lam, Premier Minister Mel Cooper, International Business Minister Ronald Welch and his own deputy minister, David Emerson, to boost the value potential of his property by having them extol and laud that his, the millionaire Vancouverian from Tapes. It was Tim Yu who later let down a click on the morning of Aug. 4, 1990, in a private note at Vancouver's Westin Bayshore Hotel provided Vander Zalm with the brown envelope containing \$26,000 in American \$100 bills that the premier later claimed he had accepted only "for salespeople." Since the cash had up to this point been stored in the hotel's safe-

deposit box, that reasoning defies credulity. The premier's explanation borders on the incredible: "I wrote commissioner Yu's name in his official report. If it is true, then it will be one of these real-life examples of the truth being stranger than fiction."

That's not only far comment on Vander Zalm's behavior, but on the man himself. He always was completely in his belief—much more so than most—with unvarnished opinions. He should "get to know Jean Charest, because they'll be much happier and their problems will be resolved much easier." Looking back on his infamous stewardship and his many word transgressions, it's obvious that his mind was often connected to his vocal chords.

Apart from the remembrance of his gutter efforts, Vander Zalm's place in Canadian history will be insured as the first politician ever to have been elected solely on the basis of his body language. His across-system was always going full tilt, sending a pattern of shadow chess to his Great White Hunter, good looks. One of Vander Zalm's few redeeming qualities was the amazing support he enjoyed with Liberals. Her wife was somehow wired to him, so that even when they were on opposite corners of a room and out of each other's sight, they would flash their smiles simultaneously. They seemed less like political cronies than lovers, and there was an almost palpable flow of affection between them, even on the most public of occasions.)

Now that the Vander Zalm nightmare is over, and only the province's courtrooms remain his downfall, the Social Credit party must somehow revive itself. This will require a miracle, because for the past 20 years nearly all of the government's energies have been devoted in extending itself from any one of a dozen scandals, as that people joked that it looked for a while as if cabinet meetings could be held only when enough members were not on bail.

The choice of Rita Johnston, the former trade-pick operator from Surrey, as Vander Zalm's successor could hardly be a worse one. As late as April 1, the day before the Hughes report was released, she was still maintaining that there was no need for the premier to step down, the seat his only government member by his side when he announced his resignation and has dismissed the Hughes report's findings as "alibis that will become excuses."

Stuck with half a dozen mediocre candidates from an even rank—the incumbent are Conservative and Education Minister Steve Hughes, who have little chance of winning—Social Credit cannot choose itself that enough from the Vander Zalm poison to win the next election, due within the next seven months.

They only chance is to recruit as quickly, but as Jim Jenkins, a former Social Credit leadership candidate, pointed out at the 1986 convention, "I don't think there is the stability for 10 years to have someone else come in and ride the pony."

That's a tricky proposition to draw about B.C.'s Social Credit party these days. They're knee-deep in it.

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**SPEYSIDE SENDS
ITS BEST.**

THE FUTURE OF THE CAR

Neil De Koker was 18 when he got his first job as an engineering trainee at General Motors Corp.'s Chevrolet head office in Detroit. It was 1962, and De Koker, a brash young high-school graduate, was eager to make his mark at the world's No. 1 automaker. Before long, he earned a reputation as a "Hi-Po"—GM jargon for a high-potential employee. He rose quickly up the corporate ladder, earning nine promotions in 23 years. The Koker earned front-center 1980 after serving as director of business systems for the financing Saturn project, a \$4-billion effort to challenge Japan's supremacy in the small-car market. But six years later, he still likes to remember about his years at GM—even though, at times, his observations are unfattering. "Our manufacturing methods were basically, to throw the staff together and allow tremendous margins of error," says De Koker, 47, now a MenloPark, Calif.-based communications consultant. "We were building cars that couldn't compete on quality, and yet the top management refused to believe it—they were cut off from reality."

De Koker's harsh assessment of GM's past failures is widely shared. The years, car buyers and even many of its employees have claimed that General Motors, the world's largest industrial corporation in terms of sales, had become a victim of its own size and wealth. Dying behind its rivals in the key areas of quality and customer satisfaction. Critics said that its factories were inefficient, its vehicle designs unimaginative and its management bafled out of step with the times. But now, the great automaker appears to be making a comeback. In the past nine months, it has overhauled its senior management and unveiled an array of sleek, aerodynamic new models. Moreover, industry observers say that GM is rapidly making progress on quality and productivity, in part by introducing a people-oriented management style that has

THE WORLD'S BIGGEST COMPANY IS TRYING TO REGAIN LOST GROUND

raised morale among its 763,400 employees. Says Marjorie Keller, a New York City-based investment analyst and author of the 1989 book *Auto Awakening*, a highly critical account of GM's recent history: "For the first time in years, there is almost a sense of liberation at GM—a real sense of the marketplace and a passion towards fulfilling the company's vision."

Whether those changes—and the Saturn project (page 48)—will be enough to reverse

GM's slide is still far from clear. For the moment, the Detroit-based company still bears the burden of years of highly bureaucratic management and low productivity. Its worldwide operations produced sales in 1990 of \$14.3 billion, far ahead of its nearest rivals, Ford Motor Co. and Chrysler Corp., at \$12.8 billion and \$36 billion, respectively. But in spite of its commanding lead, GM lost \$3.25 billion in 1990, compared with an overall profit of \$4.93 billion in 1989.

At the same time, GM has been unable to regain the ground it lost to Japan's automakers during the 1980s (page 46). In 1980, 44 per cent of the new cars and trucks sold in North America were GM vehicles. Three years later, GM's market share had fallen to 35 per cent. In the same period, Ford's share rose four percentage points, to 23, while Chrysler's rose one point, to 12.

But that the end was in the past decade were the Japanese automakers, whose combined share of the North American market jumped to 23 per cent from 10.7 per cent. "At the beginning of the 1980s, the North American auto industry was flat, dead and happy," says Detroit automotive consultant James Barlow. "The industry figured it was so big and powerful that nobody could beat it in the marketplace. Instead, consumers said, 'Screw you, we're going to buy for the best car for the best price—even if it means buying Japanese.'"

For years, GM executives seemed reluctant to address their customers' growing concerns about quality. When sales of a particular model slumped, the company tried to draw consumers into its dealers' showrooms with factory outlets or occasional free-fills of existing designs.



Robots at GM's Oshawa plant: unsure about whether automation is worth the expense

At the same time, GM officials publicly played down the threat posed by Japanese competitors. They argued that North Americans would soon tire of small, Japanese-made economy cars, and that Japan's automakers were copycats whose products lacked originality in engineering and design. "What did the Japanese invent on cars?" former GM chairman Roger Smith once retorted last Aug. 1, once said. "The only thing that I can think of is the little car holder they put in."

These days, however, GM's top brass is sounding a lot more humble. The company's

new president, Lloyd Reuss, and his chairman, Robert Stempel, both of whom assumed their positions in Aug. 1, have both publicly acknowledged that GM needs to become more responsive to consumers. "We've spent a lot of time analyzing why we just market sales," Reuss, 54, told *MotorWeek* during an interview in his 14th-floor office at GM's Detroit headquarters. Reuss, an engineer who joined GM in 1957, added that many of the company's problems resulted from reducing the size of its cars in an attempt to make them more fuel-efficient and switching from rear-wheel drive to front-

wheel drive. "As we went through that tremendous changeover," he recalled, "we had some look-alike products—cars that were not distinctive enough. We also disappointed our customers with the quality and reliability of our products. We lost some cover legally."

Step: To regain lost ground, GM has been working hard to reduce the number of defects in its vehicles. Those efforts are paying off. Last year, two of the company's divisions—Cadillac and Buick—earned fourth and seventh respectively in a Top 20 list of the world's automakers in terms of customer satisfaction. The list was prepared by the California-based automotive research firm J. D. Power & Associates Inc., based on reports submitted by about 37,000 U.S. consumers. GM executives acknowledge that Japanese companies like Toyota and Honda still lead the way in quality and reliability—Honda's luxury division, Acura, ranked No. 1 in the survey, while Toyota placed third—but they say that GM is closing the gap. Adds Reuss: "There's a much greater eye-seeing now on the product and on the customer."

Moreover in the push to improve quality and efficiency more evident than at GM's new Saturn assembly plant, a state-of-the-art factory nestled in the pretty rolling hills of north Tennessee, Reuss is GM's first new car division since the company's founder, William Durant, purchased the Pontiac Body Co. of Pontiac, Mich., in 1916. At the time of Durant's incorporation six years ago, former chairman Buick called it "the key to GM's long-term competitiveness, survival and success"—an attempt to challenge the Japanese using the latest manufacturing technology and a revolutionary new approach to labor relations.

Minicars: The first Saturn vehicles—a sporty two-door model and a four-door sedan available in both standard and high-performance versions—went on sale in the United States last October, at a base cost of between \$9,200 and \$13,130. General Motors of Canada Ltd., the automaker's Oshawa, Ont.-based subsidiary, plans to begin selling the Saturn lineup through its 700 Peugeot dealerships located at present locations comparable to those in the United States. Although the Saturns has suffered several embarrassing start-up problems, including faulty seat-adjustment mechanisms that forced the recall of 1,646 vehicles, most U.S. reviewers have praised the car for its spunky, low-syllable aluminum engine, stable handling and unfeathered, Japanese-style steering.

For all that, the Saturns is unlikely to help GM's short-term profitability. Analyst Keller, for one, calls the Saturn "the best small car on



Reuss: "Our productivity is not just where we have to be."

GM SAYS THAT ITS FUTURE RELIES ON NEW WAYS OF MANAGING

ben ever built." But also adds that the market for subcompact vehicles is so competitive that car manufacturers, foreign or domestic, eventually will make a profit on small cars. Braun, however, says that he expects Saturn to turn a profit within eight years. "With an investment like that, you aren't going to be profitable selling 300,000 units a year," he adds. "But the factory does them and can build 350,000 units—and we're confident that it will be profitable."

Fighting for a larger piece of the small-car market is only one of many challenges now facing GM. Even more pressing is the need to improve productivity at the company's 37 other North American car- and truck-assembly plants, including facilities in Oshawa, Scarborough, Ont., and St. Thomas, Que. According to a five-year, \$5.6-million study of the automotive industry published last fall by researchers at the Massachusetts Institute of Technology (MIT) in Cambridge, Mass., all those North American manufacturers require significantly more man-hours of labor than their Japanese competitors to assemble a similar-sized automobile. The study found that GM, Ford and Chrysler each took an average of 24.6 hours of labor to produce a car. By contrast, Japanese manufacturers needed only 20.0 hours per vehicle at one of their North American plants, and 19.8 hours at one of their factories in Japan.

Lean. The extra effort for the difference, the study found, is that companies like Toyota and Honda have abandoned the traditional mass-production system and switched to a more efficient method, which the MIT researchers call "lean production." Its primary objectives include low levels of parts inventories, a flexible, highly skilled workforce and an overriding commitment to cost-cutting improvement, both in product quality and ease of assembly.

Most analysts say that Ford is currently the most efficient North American producer, with Chrysler second. But they add that GM offers the best chance for making a major effort to

improve productivity. "It has always been the great hope of General Motors that everybody else would become as efficient as they are," says James W. Pliska, an MIT researcher who helped to supervise the study. "Finally, there are some smart people on the manufacturing side at GM who realize that the mass-production

GM's Oshawa factory is now one of the most automated car-assembly plants in the world. Robots do most of the welding that was previously done by humans, while the old drag-chain assembly line has been replaced by an automated overhead and driven off automated guided vehicles that deliver transport partially assembled car bodies, engines and chassis along different areas of the plant according to instructions fed to them by computer.

Although the Oshawa plant is a high-investment endeavor, GM officials say that they are uncertain whether such high levels of automation justify the huge investment. Said Gary

equipment. "I wouldn't say that quality actually slipped," he added, "but we pleased the market by getting better, compared with the competition."

GM officials now say that better management, rather than more expensive technology, is the real key to rising productivity and ensuring higher quality in some cases, that mass tooling down the walls that used to separate GM's designers and engineers—the people who decide what a particular car model should look like and have it made function—from those responsible for actually putting it together. At the Oshawa plant, a mass of semi-

a Ford Taurus. Moreover, GM's researchers concluded that the Ford parts fit together more easily than those of the Pontiac.

GM is taking steps to correct these problems. According to company president R. Bruce, the soon-to-be introduced 1992 Cadillac Seville has 50 per cent fewer parts in its front and rear bumper systems than its predecessor had. Other upcoming models will incorporate similarly cost-efficient features, he says, but Braun cautions: "Our productivity is not yet where we have to be. Part of the problem is that we used to be highly compartmentalized. It's only since the competition has become better that

you're working the game cautiously."

For that strategy to succeed, however, Braun and his fellow executive team members will have to complete a reorganization that has eluded all eight years GM officials in recent memory: subdividing the chains of command and eliminating some of the company's notoriously unproductive bureaucracy. In the past, cost-cutting by GM's senior executives, combined with the corporation's unwieldy management structure, has contributed to long delays in launching new vehicles. The Lumina, for one, was originally intended to roll off the assembly line in 1989, but successive delays prevented it from appearing in showrooms until 1990. By then, its competitors, rounded up by GM, had already begun to look dried. Said Charles Jenkins, GM's vice president for design: "The Lumina that hit the market in 1990 was first designed in 1981. Now, I say that's not true to the designers." In the same period, Honda never delayed or wavered in best-selling Accord model, which now competes against the Lumina in the market for mid-priced luxury cars.



McCallough: "GM learned some hard lessons"

BOB LAYNE FOR GM



Source: Automotive News International, Inc. (AN). Data taken from "The Automotive Industry in North America," published by AN, 1990.

are in eye. For my money, their hearts are in the right place." The fruits of those efforts can be seen at GM's Oshawa assembly plant, which manufactures the midsize Chevrolet Lumina and Buick Regal and delivers GM's pickup trucks. During the late 1980s, GM poured \$5 billion into modernizing its Canadian operations—part of a \$58-billion, coast-wide effort by Smith to expand and upgrade the company's manufacturing capacity. As a result,

McCallough, manager of the Oshawa factory, "I think GM learned some hard lessons in the 1980s. There used to be a mind set that automation was the only way to be competitive."

"I'll probably get my wrists slapped for saying this, but we now know that wasn't true. Moreover, McCallough says that the quality of cars and trucks built at Oshawa between 1987 and 1989 was not as high as it should have been, because so much attention was focused on learning how to use and manage the new

we've realized that we have to start operating more like a small company." As he sees it, the contrast between the General Motors of the past and the current company is analogous to the difference between a football team and a basketball team. Declared Braun: "In football, many plays are specialized. You have a quarterback, linemen and so on. You go out, execute a play and then you cover back and there's the game. We have to function more like a basketball team—you have a few key plays, but

we're realizing that we have to start operating more like a small company." As he sees it, the contrast between the General Motors of the past and the current company is analogous to the difference between a football team and a basketball team. Declared Braun: "In football, many plays are specialized. You have a quarterback, linemen and so on. You go out, execute a play and then you cover back and there's the game. We have to function more like a basketball team—you have a few key plays, but

WHAT'S NEW FROM GM



1992 Cadillac Seville



1991 Saturn Sports Coupe



1992 Buick Roadmaster



1992 Pontiac Bonneville

BOB LAYNE in Detroit

JOINING HANDS

GM AND THE UAW LEARN TO WORK TOGETHER

As a 27-year veteran of the United Auto Workers union, Michael Bennett is accustomed to grappling with management. But nothing in his experience prepared him for his encounter last year with Richard LeFavre, president of General Motors' new Saturn division. They confronted each other atop a 16-foot-high wooden platform in rural Tennessee during a workshop designed to break down the psychological barriers between labor and management. Facing each other, Bennett and LeFavre extended their arms until they could lock their hands together. Then, each using the other for support and balance, they tried to advance in front of them from the platform as possible, moving gingerly along two-by-two-inch steel rungs that extended from the platform to a V-shaped beam. "The two of us had to hold hands and hug just to keep our balance," recalls Bennett, 47, the president of Saturn's title Local 7453. "It's an emotional experience to go through—but it reinforces the idea that you're not going to make it unless you look at it as cooperation."

That lesson, say officials, is, in the long run, Saturn's make-or-buy effort to reconfigure and revitalize the North American automobile industry. It is also the single most radical difference between the Saturn factory, situated 90 km south of Nashville in the small town of Spring Hill, Tenn., and virtually every other assembly plant owned by the Big Three automakers in the United States and Canada. In most traditional car plants, assembly-line workers and factory managers are locked in an adversarial relationship founded on mutual distrust. Denied the opportunity to participate in high-level decisions, workers tend to focus on short-term objectives, such as higher wages, and have few incentives outside of pride to strive for quality. By contrast, the Saturn philosophy stresses the value of consensus-building and teamwork. "The old system divides people into winners and losers," says LeFavre, 56, a soft-spoken former U.S. army pilot who drove civilian and aircraft the workers call him by his childhood nickname of Skip. "Here, we emphasize the role for participants," he added. "It won't be a little more, but we want people to know that it's OK to care about each other."

Maybe so, at least, the Saturn strategy appears to be successful. According to Bennett, morale among the company's 4,000 employee workers is excellent. In the five years since the plant began trucking up the assembly line, productivity has grown, averaging the highest of any workers. Bennett

himself withdrew two of the grievances after deciding that the company had acted without his rights. In that case, he still being considered. At the same time, the lead worker says he finds it hard to imagine circumstances that would lead to a strike. "These tasks were part of the old world of labor relations," he says. "We try not to rely on them."

In fact, almost everything about the Saturn operation represents a profound shift in thinking for both GM and the UAW. But Saturn is more than simply an exercise experiment in

much as it would cost a Japanese carmaker to build a comparable model.

Assured by these reports, Smith immediately cancelled the S-car project and began to search for alternatives. At one point, GM officials explored the possibility of an alliance with Honda. But Honda's owners fully rejected GM's overtures. Smith then joined forces with Toyota, Japan's largest vehicle manufacturer, creating a joint venture to operate an assembly plant in Fremont, Calif., 57 km southeast of San Francisco, using Japanese-style work



Saturn training program stressing the value of consensus-building and teamwork

New Age labor-management relations. Its roots lie in a fundamental recognition by GM that its traditional approach to automaking made it impossible to manufacture a small, fuel-efficient car in North America that could compete profitably with Japanese exports. The inescapable reality of that lesson became clear in 1981, when former GM chairman Roger Smith ordered a study to find out how much it would cost to build a subcompact vehicle, code-named the S-car, that had been scheduled to replace the Chevrolet Chevette in 1985. The result was \$8,590 per car, almost twice as

much as Japanese (New United Motor Manufacturing Inc.), the Fremont plant now produces two models: the Toyota Camillo and the Geo Prizm, a front-wheel-drive subcompact marketed in the United States through GM's Chevrolet division.

Despite the partnership with Toyota, Smith remained convinced that GM's future still depended on being able to design and build its own small car, without help from the Japanese. In 1985, he assembled a team of senior staff from GM's various divisions and asked them to draw up plans for a high-quality, low-cost car

that could be manufactured in the United States but still challenge the best of the Japanese imports. Eventually, the operation involved 99 people, including 100 representatives, plant managers and engineers assigned to Neil De Koker, a former GM executive who became the group's director of business systems. The team itself decided that the project should be called Saturn, after the booster rockets used in U.S. manned space missions during the 1960s. Says De Koker,

was head of the 100's Canadian division. But gradually, the borders that separated blue- and white-collar workers began to erode. In 1985, GM and the UAW agreed one of the most revolutionary labor-management agreements ever negotiated in North America. Under its terms, UAW members at Saturn are paid a salary equal to the average annual earnings of hourly paid GM workers at other GM, Ford and Chrysler plants—currently about \$34,500. Starting next year, however, to up to 20 per cent of each

year. "Rather than simply taking direction, we want people to explore their own creative thinking—to go beyond what they are normally conditioned to do," says De Koker.

Consensus. Perhaps the most important difference between Saturn and other car plants, however, is the unique power-sharing arrangement between workers and management. The monumental act of agreement between GM and the UAW downed the union as a "rival partner" in the operation of the plant and

says that all decisions must be made by consensus, not members helped to choose Saturn's suppliers, its dealers and even its advertising agency. UAW members are also responsible for interviewing and hiring all new employees, who are selected from among new members at 125 other plants across the United States. "The philosophy is to push decisions as far down the operational ladder as possible," says De Koker. Bennett, "It's really a dimensional leap for a lot of people." LeFavre, meanwhile, said that he does not regret surrendering some of his authority. "North Americans have been programmed to think that only one person can run the show," he adds. "But at least the way we don't spend a lot of time arguing about whether we did the right thing or not."

Bennett readily acknowledges that the transition to a team-based approach has created some difficulties. Before moving to Spring Hill in 1990,

he spent nine years as president of the UAW local of a huge GM parts plant in Flint, Mich. In many respects, he says, that job was less complicated than his current position. "In Flint, it was easy to place blame and blame management for our problems," he says. "It was an adversarial role, and that meant that I had real power to swing the hammer. Before here, when you have management a letter threatening to strike in five days, they listen."

By contrast, Bennett now spends much of his time trying to persuade Saturn officials to share his point of view. The process of continually trying to reach a consensus presents a constant challenge, but both he and LeFavre agree that it is worth the extra effort. "It's a global economy, workers have to be responsive, innovative and customer-focused," Bennett says. "If we want these well-paying jobs to remain in the United States, we have to recognize that the old, confrontational approach has outlived its usefulness." Adds LeFavre, "I'm not doing this because I'm some kind of idealist. I do it because I believe that it produces superior results. At Saturn, we've got 4,000 people out there who are motivated about quality and productivity, instead of one guy at the top with a lot of slaves." If Saturn's revolutionary approach yields the desired results, a common model for struggling manufacturers across North America.

JOHN LAWLER in Spring Hill



LeFavre: It sounds a little corny, but we want people to know that it's OK to care

where new dimensions of a Marketplace. On-board marketing and consulting firm, The One Company International Inc. "We chose Saturn because we really felt that our challenge was as difficult as looking at a man in the moon."

Almost immediately, group members realized that Saturn's approach to labor-management relations would be as important to the success of the new vehicle as its design and engineering. The traditional view of GM was that blue-collar workers were stupid and lazy, and that if you didn't watch them every step of the way, they would ruin your mind," says De Koker, 47, who joined GM in 1982 and left the

company in 1988. "We realized that if things were going to change, management had to take the first step. We had to use them from the inside up, instead of from the outside down."

However, At first, some GM officials were suspicious of Saturn's teamwork concept, viewing it as an attempt to undermine the union and force assembly-line employees to work harder for lower wages. One of Saturn's most vocal critics was Canadian Auto Workers president Robert White, who at the time

workers' salary will be targeted upon meeting productivity and quality targets set jointly by the company and the union. If workers missed these targets, they will be eligible for bonuses. In its campaign to outperform the Japanese, Saturn also places a special emphasis on education and skills development. New recruits, including managers, receive between 700 and 750 hours of training, depending on their job requirements. A training center beside the Saturn factory offers instruction in a wide array of technical subjects, including hydraulics and

spot welding, as well as courses in decision-making, managing conflict, and creative thinking. Over time, employees receive a minimum of 12 days of additional training a year. "Our competition is forcing us to get smarter," says Philip Galters, Saturn's team leader for training and development. Galters, who used to train workers for rival Nissan, admits that he joined Saturn because he was excited about the prospect of helping to improve the North American automotive industry. "Frankly, I don't think anybody but GM could afford to do this," he

Bennett: a profound shift





Honda dealership in Toronto bringing 'lean production' to North America

WHEN WEST MEETS EAST

JAPANESE CAR PLANTS ARE THRIVING

George Krayenbuehl says that he is well inspired, and somewhat intimidated, after a visit to Japan early three years ago. In April, 1985, he became one of the first employers hired at Toyota Motor Manufacturing Canada Inc.'s new car assembly plant in Cambridge, Ont. A few weeks later, Toyota sent Krayenbuehl, a former production manager in a intermetallic plant, to Japan for training. Now 54, Krayenbuehl recalls watching teams of untrained workers assemble cars in a plant in Toyota City, 480 km southwest of Tokyo. "Boy, those people were moving fast," he says. "There was nobody standing around, no chib and no time was wasted." After four weeks in Japan, Krayenbuehl returned to become a team leader of a half-dozen employees at the Cambridge plant's trim area. He says it is a

continuing challenge to adapt Japanese methods to work in Canada, adding, "In Japan, they have had 30 to 40 years to mature the Toyota system. We're still in one infancy."

Less than a decade after they first began manufacturing cars outside of Asia, Japan's auto makers now own or jointly operate 10 North American plants. Several of them are still experiencing growing pains—but already they have helped the Japanese capture large slices of market share from the Big Three domestic auto makers. Since 1982, when Honda of America Manufacturing Inc. opened the first auto-related investment in Michigan, Ohio, Japanese manufacturers have increased their share of car sales at North America to 24 per cent from 22 per cent, while General Motors, Ford and Chrysler's combined share has dropped to 45 per cent from 79 per cent.

factories to capture foreign schedules, and on some to retain their rule of work.

Big Three executives and union leaders are largely responsible for bringing the Japanese automakers to North America. Attracted by the surge in sales of imported Japanese cars in the 1970s, they persuaded the U.S. and Canadian governments to limit Japanese car shipments. GM, Ford and Chrysler were required to produce that when the Japanese were required to pay union wages and adopt North American work practices, much of their competitive advantage would disappear. But none of the transplants is unloved, and the Japanese are cutting North American sales to three work practices.

Some critics complain that Japan's automakers enjoy an unfair advantage over their North American counterparts in Canada. Under the 1985 Auto Pact, the Big Three are required, as effect, to manufacture one car in Canada for each vehicle they sell in the country. In addition, the cars must contain 60 per cent local content, measured by dollar value. But Japanese manufacturers are not covered by the Auto Pact. Both Honda and Toyota say that the cars they build in Canada contain just over 50 per cent local content. About 68 per cent of them are shipped to the United States.

By adhering to their power strategies, the Japanese automakers have managed to build cars successfully in North America as they do in Japan. Almost all of their transplant factories are in rural areas, away from traditional manufacturing centers. In the United States, says Stephen Van Houten, president of the Automotive Parts Manufacturers' Association, "it's that they go two continents back from the

highway, where the union won't find them."

In Canada, Toyota's Canada sedan plant is located near Cambridge, 50 km west of Toronto, an area which was once a hot farm. In mid-1985, 1,000 people at last year produced 60,000 cars. Honda built its plant as a former potato field near Alliston, 94 km north of Toronto. The factory employs 1,430 workers and last year assembled 145,000 three-door Civas. The Japanese have successfully created a living workplace. Deigned with hundreds of tip-offs for every job opening, the transplants tend to hire men and women in their 20s with little or no auto industry experience—no past contact with unions. At both Honda's and Toyota's Cambridge plants, recalls pass through a series of tests and interviews that can take up to 24 hours. Honda and Toyota managers, however, say that their employees are free to quit a union any time they wish—and that they never return to that choice.

The stable, young workforce keeps down health-care and pension costs. That, in turn, has allowed them to pay wages, about \$17.75 per hour, and benefits comparable to those in unionized plants—and still maintain a cost advantage.

Inside the Toyota and Honda factories, the differences between the Japanese and North American production techniques are immediately apparent. Both companies build voluntary collaboration sessions at the beginning of shifts. On the line, team members can rotate jobs among themselves, instead of performing the same, highly specialized task repetitively. But the Japanese are limited workers in the specialized area, for instance, can switch only with other workers.

Quality. The guiding philosophy in the plants is *kaizen*, or continuous improvement. The companies expect all employees to think about new ways to improve quality and eliminate waste. Any employee at the Honda and Toyota plants has the right to stop the production line to correct a quality flaw, ensuring continued inspection rather than just a last inspection at finished cars at the end of the line.

Toyota and Honda executives also claim that their plants are more efficient than those built by the Big Three. At the Toyota factory, there are only two employee classifications. Even the most senior executives at both locations were the same uniforms as other employees and have no private offices, separate dining facilities or preferred parking. In-

evokes say that the lack of formality improves communication. "Managers in North American plants only hear what happens on the floor," says Honda Canada Manufacturing president Shiroe Kuroki, who moved to Alliston in 1989 after supervising the construction of Honda's plant in East Liberty, Ohio. "Here at Honda, the manager has to go to the problem."

Union leaders, however, say that the Japanese achieve high productivity by adding workers' rights and participation in plant operations. They claim that without a formal contract and firm job classifications, managers are able to impose extra work requirements—and employees have no formal method of appeal.



Spot welding at Toyota's Cambridge plant, pressure on parts makers

But not all workers in the non-unionized plant is upset to have few complaints. At the Toyota factory, assembly-line employees say that they do not feel pressure from, or conflict with management. They added that they have no plans to join the auto workers union, which periodically hands out leaflets outside the plant parking lot. Still, both Am. Car. and 2000, a number of employees say they would see no reason to join when they get into "benefit."

Union organizers, however, say that their lack of success is predictable because of the job security that workers in the Japanese-owned

plants have enjoyed in their brief history. They add that the Japanese have yet to confront a major sales downturn in Canada. While overall car sales have declined about 10 per cent over the past two years, sales of most Japanese models have held steady or increased.

Some of the most pressing tensions in the Japanese production system fall on parts suppliers. In Japan, assembly plants are surrounded by dozens of small parts factories. Unlike North American carmakers, who have traditionally dealt with their suppliers in a detached, paper-work relationship, the Japanese coordinate their plans closely with parts producers. And they expect suppliers to assemble and deliver parts to order within minutes.

North American parts suppliers have had difficulty meeting the stringent Japanese delivery and quality requirements. But many of them and that the Japanese have not given them a fair chance to win their business, preferring to buy from Japanese suppliers. "Originally, they said that they were dissatisfied with this quality," says parts association president Van Houten. "Now, it's because they don't have a long-term relationship with Canadian suppliers. It's like a bad trying to get the best out of you."

Discipline. For their part, Honda and Toyota executives say that their relationships with domestic parts suppliers are improving. And some parts manufacturers acknowledge that the discipline of just-in-time delivery is improving their industry. Rudy Klemm, senior manager of U.S.-owned Beltsco Parts Canada Inc., in Alliston, says that the Japanese requirements lead to greater efficiency. The company supplies seats as well as wheel and tire assemblies to Honda, and is looking to compete in the Honda plant. It can assemble and deliver parts within 90 minutes of an order. Scott Klemm, who worked for firms that supply parts to the Big Three for two decades before joining Beltsco in 1986, says, "Every time we get an order, we would find out and build warehouses with small parts. Then, we had to lay off people in the spring. It was awfully wasteful."

Indeed, while the Big Three manufacturers face many complaints about the Japanese, they are also adopting many of their production methods in their new plants. In the process, Honda and Toyota are discovering that omission is the unmet term of history—

JOHN DALE in Alliston and Cambridge

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Yankee students getting along with their parents and expecting to earn more

YOUTH

The serene teens

A survey finds that teenagers are optimistic

To many Canadian adults, the present generation of teenagers often seems pacifistic and pessimistic. Unlike their parents, many of whom grew up protesting against war and advocating the liberalization of drug laws, today's young people are often depicted by social observers as self-centred and disinterested. Now, the results of a nationwide survey of teenage attitudes paint a dramatically different portrait of 13- to 19-year-olds. According to the findings of Toronto-based Decima Research Ltd., which conducted the poll between December, 1990, and February of this year, the current generation of teenagers say that they are more aware and socially open than their predecessors, and more hopeful. "This generation doesn't feel that its future is limited," said Decima president Allan Goggin. "They are driven and very focused."

The survey, which was jointly commissioned by Sholex and Walkers Canada, Pope-Cole Canada Ltd. and YTV, a Toronto-based television channel aimed at young people, found that teenagers were generally optimistic about the future, with 90 per cent of those surveyed saying that they expected to earn more money than their parents. But the survey findings also raised disturbing questions about the problems faced by many teenagers today—including the threat of violence at the hands of fellow teenagers.

The findings were based on telephone interviews with 1,500 teenagers across the country and responses to a lengthy questionnaire that 87 of the teenagers voluntarily completed by phone mailed back. Decima officials said that most of the findings were based on the smaller sample and that, such a survey is considered accurate to within 3-4 percentage points of the figures cited 10 out of 20 times. For his part, Goggin admitted that the survey tended to exclude disaffected youths, including "street kids" who are less likely to be available by telephone, but declared that the survey was "the only comprehensive, nationwide study of teenagers ever conducted."

For the most part, the teenagers surveyed forecast a bright future. Fully 82 per cent of the respondents expressed a general sense of optimism about the future, while 44 per cent said that they had a better chance of finding a job than former generations of teenagers. At the same time, no fewer than 86 per cent of those surveyed said that they cared about getting good grades at school. The study's findings also suggested that Canadian teenagers

agreed along with their parents. Eighty-two per cent of the teenagers responding to the Decima poll reported good or excellent relationships with their mothers and 71 per cent were so good terms with their fathers. Still, only 38 per cent of those surveyed said that they would approach their parents first with a major problem. Only two per cent said that they would take their concerns to their fathers, while 34 per cent said they would confide in their mother.

The survey also suggested that fear has come to play a significant role in the daily lives of contemporary teenagers. Nearly half (45 per cent) of the young Canadians polled reported that they were concerned about crime gangs of teenagers. And 31 per cent said that they had been robbed or assaulted, while 11 per cent said that they owned a knife as a form of protection. More than half (54 per cent) said that a nuclear war would likely win their elections, while 43 per cent said that they expected environmental problems to worsen.

The survey also produced evidence to suggest that the sexual revolution of the 1960s continues to influence the habits of young people. More than three-quarters (79 per cent) of those surveyed expressed the belief that members of their generation experiment with sex more freely than their parents did, and 26 per cent of the respondents agreed that "everybody I know seems to be sexually active." At the same time, 65 per cent claimed to be "very afraid" of sexually transmitted diseases, including AIDS. Despite that, only 43 per cent said that most of their sexually active peers used condoms.

On a more encouraging note, the survey found that many of today's teenagers say that their parents have enlightened views on sex, racism, and other controversial issues. Indeed, only 23 per cent of the teenagers surveyed said that their parents were "too uptight about sex," while 32 per cent said that their parents gave them most of their sexual information. Goggin said that the survey was "very much" inspired by the findings. "There is just no oppression at all," he told Markovitz. "If my parents had talked about sex when I was a teenager, I would have learned a lot more."

Goggin added that the survey's results appeared to offer encouragement for the future. Given the array of problems that teenagers stand to inherit, the optimism, optimism, and optimism revealed by Decima's survey will clearly be needed.

Goggin: 'no oppression'



GRIG TAYLOR

CRIME

The smoke smugglers

Dealers prosper from contraband cigarettes

On the secondary roads leading into the Kahnawake reserve, seven kilometers northwest of Montreal, members of the Mohawk Warrior Society stand guard at security checkpoints. The sign by the roadside warns members of the Sûreté du Québec: the provincial police force, and some officers that they are not welcome on the reserve. Inside the boundaries, about 30

price of cigarettes to the current level of about \$5 for a package of 25, in some parts of the country from about \$1 in 1980—or about \$2,500 a year for a pack-a-day smoker. As a result, addicts say, smuggling about 800,000 cigarettes by the roadside was worth \$200 million in lost revenue last year. Theft's impact broke out in February when thieves broke into a grocery outlet in Brampton, Ont., 40 km north-

west smuggled back into Canada, are usually sold to corner-store operators, bars and other businesses that are able to make a handsome profit even after paying the smugglers or thieves for the cigarettes.

While the number of cigarette thefts is rising in most parts of Canada, federal officials say that the largest organized smuggling operations are based at the Mohawks' Akwesasne reserve. At least one million cartons of cigarettes are manufactured at Canada's export to the United States every month. According to Cornwall-based anti-Mohawk activist Gerald Gaudet, before they are distributed to stores in the United States, the contraband cigarettes are stored in warehouses in New York state. Gaudet says that licensed tobacco dealers from Akwesasne purchase cigarettes from the warehouses. The dealers then purchase the cigarettes and later smuggle back into Canada through back roads or across the river by boat or seaplane. Said Danny Phillips, spokesman for the Mohawk Nation Office at Kahnawake: "The government views it as illegal because they do not allow tax-free dollars from us. In their own law, they have no business collecting taxes from natives." Police say that because native dealers can purchase untaxed cigarettes for about \$19 in 1990 a carton in the United States and resell them in Canada for \$26 to \$30 a carton—compared with about \$16 a carton—they estimate that the dealers are able to earn more than \$12 million a month in profits.

Police and other officials say that Akwesasne gangs in some parts of the country are involved in smuggling cigarettes, including the New York City-based First Nations Inc. "Marijuana cigarettes, which cannot be sold legally in Canada, because they contain tobacco inside a cigarette, are a copyright on the same Marlboro brand," said the First Nations spokesman. The report, 2.5 million cartons of Akwesasne Marlboro cigarettes are smuggled into Canada each year. The report says that Akwesasne gangs were directly involved in bringing the



Store clerk checking legally taxed stock in Toronto: smugglers thrive on tax evasion

abandoned cigarette stands signal the closure of the smuggling trade in contraband cigarettes in that closed before last summer's blockade of the reserve during the confrontation between Mohawks, police and Canadian troops. Now, police in Quebec say that the Mohawks are smuggling cigarettes back into the reserve in a different form, with trucks from the Mohawks reserves at Kahnawake and Akwesasne which supplies the Greater U.S. border. Canadian, Ont. following handwritten thousands of cartons of cigarettes a month to customers in Central Canada. At the same time, police forces across the country are continuing with a growing number of raids on truck backlogs and armed robberies in the smuggling of tobacco. Indeed, the traffic in stolen or smuggled cigarettes is increasingly profitable enterprise.

The trade in contraband cigarettes has grown steadily as demand rises from the

west of Toronto, and adds \$25 million of cigarettes worth about \$35,000, to a robbery in Edmonton two weeks ago in which two men held a female clerk at gunpoint and got away with \$25,000 worth of cigarettes from an east Edmonton warehouse. "Cigarettes are a crime target," says Sgt. Alex Cox of the Vancouver police department. "They're as good as cash and there are always buyers." According to a study prepared by the Toronto-based accounting firm of Pricewaterhouse Coopers for the Manitoba-based Imperial Tobacco Ltd., about 11 million cartons of cigarettes were sold illegally in Canada last year, with an estimated retail value of more than \$600 million.

What makes the trade in stolen or smuggled cigarettes so profitable is the fact that, more than 70 per cent of the total price of cigarettes is made up of federal and provincial taxes. Police say the stolen cigarettes, or cigarettes acquired duty-free to the United States and

American cigarettes into Ontario.

While the police contend with the traffic in contraband cigarettes, several provinces have taken steps to tough out smuggling operations. Starting in 1989, the Ontario Liquor Control Board introduced a yellow band on cigarette packages to show that all provincial and federal taxes have been paid. Last month, Quebec's revenue minister, Raymond Savoie, announced that beginning next year, cigarette packages in Quebec will bear a yellow band with the words "wrap for similar reasons." Despite steps by government and manufacturers, some police officers predict that as long as the price of cigarettes continues to rise, the trade in illicit cigarettes is likely to go on growing as well.

NORA UNDERWOOD with ADAM DAVIES in Halifax, DAN BOFFEE in Kahnawake, JONAN JORGENSEN in Calgary and AIT DOZ/NDV in Montreal



Sweeney 10 and the Machine against Barcelona kicking off with a new-action

SPORTS

Football in spring

Montreal fans welcomed the World League

Before the Montreal Machine played its first home game last week, executives of the new World League of American Football teams cautiously predicted that the event in Montreal's \$460-million Olympic Stadium would attract about 25,000 people. The estimate took account of 10,000 tickets that had been distributed free with a gasoline purchase at Ultramar Canada Inc. service stations that following the team's March 23 victory in Atlanta over the Birmingham Fire, sales of tickets, ranging in price from \$19 to \$25, took off at Montreal. And when the maroon-and-silver-clad Machine stepped onto the field against Spain's Barcelona Brucos on April 1, 53,238 fans raised their welcome to spring football in a city that dropped out of the Canadian Football League four years ago. It was the largest crowd in the two-week history of the fledgling, 16-team major and one of the largest at Olympic Stadium for a sporting event in a decade.

Montreal lost 34-10, but not before quarterback Kevin Sweeney led the team to an early 10-0 lead. And the turnout was a victory for Machine president Roger Doel, a former LaSalle University 100-metre hurdling executive who

bought the \$117-million franchise with \$1.2 million down after securing a 20-year, no-advance loan for the balance with the league. Before the game, Doel, 71, thought a crowd of 50,000 would be close to a miracle. "I don't admit that the springgame-crowd could help to convince companies to buy sponsorships with the team, whose games are being televised by Toronto-based The Sports Network and its French-language station, RDS. Still, staples of the new league pointed to the fact that, throughout its March-to-June season, the Machine will compete against the city's established professional teams—the National League Expos baseball team and the Canadiens of the National Hockey League, which stages its playoffs in April and May.

The new league has the financial clout of a two-year, \$50-million television deal with the ABC television network and the USA Network, both based in New York City. Assured of filling a gap in the networks' spring sports coverage and capitalizing on the growing interest in American football in Europe, the league was incorporated in October, 1988. It was formed by owners of 25 of the 28 National Football League teams in the United States and open-

ness franchises in Birmingham, Orlando, Fla.; New York-New Jersey; Raleigh-Durham, N.C.; Sacramento, Calif.; and San Antonio, Tex., as well as London, Frankfurt and Barcelona.

The league has an unusual financial structure that may officials say should protect it from the financial pitfalls that have crippled some new sports ventures in the past. Under the franchise agreements, the league will pay for all travel and on-field expenses, including players' and coaches' salaries, out of television revenues and league sponsorships. The players, most of whom failed to make 10% or 20% rosters, will be paid between \$17,000 and \$29,000 per season. Team owners pay for stadium losses, and advanced stadium costs out of gate receipts, corporate sponsorships of the teams and stadium concessions.

Still league vice-president Joseph Bailey says: "We have designed this league so that it puts every franchise into a potential profit situation in its first year of operation."

Still, some experts predicted that gate receipts might decline when the novelty of the new league wears off. Montreal and the league's three European entries—the London Monarchs, the Frankfurt Galaxy and Barcelona—all exceeded league officials' gate receipts targets in their first home games. In London, the Monarchs' opener drew 46,952 fans at Wembley Stadium, nearly 10,000 more than the same weekend's biggest soccer crowd in England; while both Frankfurt and Barcelona attracted about 20,000 fans in their first home games. But in Birmingham, attendance declined sharply to only 10,560 at the team's second home game from 53,000 fans at the club's home opener.

Despite Montreal's roster of mostly unknown American players, Doel claimed that the Machine will have a strong appeal to Quebecers. Doel and his head coach, Jacques Donatelli, are both francophone Quebecers, and the general manager, Gordon Gillett, is from Gaspé, Que. As well, Chris Piro, the Machine's training quarterback, is a Winnipegquan. Que., native who won three Ric Coughlin trophies as Canada's top university football player while attending St. Mary's University in Halifax. Still, the Machine has not dented Montreal's appeal to the CFL, league commissioner Donald Grant told Machines. He said that a group of potential backers is interested in putting a CFL team back in Montreal, and has held talks with city officials. For the time being, though, Montrealers appeared to be infatuated with their new, American-style football club.

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the dust raised by the motorcycle desert. As filming resumed, Lee (Weller) went back to his place at the stall. A crew member ignored his protest with later credit: *Weller* turned him gently with a board to smother a scream. Cuts for silence ricocheted around the set. The camera rolled, and with a soft roar, Cooney sang "Acen."

Weller summoned up a drop, nicking cough. As his saliva dripped to the sand, he looked up to see a debauched man in an open-crotch suit, a character named Ties played by British actor Julian Sands. "Enjoying the beach?" said Ties. "I never would have expected to see you up so early." It was a brief encounter, but the actors ran through at least a dozen takes. Later in the day, Weller was performing a similar scene, in which he lay half-nude to send the backdrop but later changed to a moonlit night. A director had replaced the camel. And Acen means an animal's caresses and marital conversations.

During a break, the actor returned to his trailer. He changed off his suit and poured the sand out of his shoes. But, still wearing his 1950s fedora, he seemed to remain in character. He is an intense presence, with giant cheeks and piercing blue eyes. Smelling a huge cigar and swigging from a bottle of mineral water, he said: "I've been in lots of Naked Lunch for a long time. Basically, what attracted me is that it was the great novel of disableness. Nowadays when I read it, it's more a prophetic novel of sadness and horror."

Indeed, the book forebodes the AIDS epidemic. It predicted that "a real city of a riot would erupt in Africa and affect humans." The John Varne of sexual decay, Burroughs also foresaw rampant AIDS in economic surgery and the wide-scale abuse of rapidly addictive drugs. "All this has come to pass," said Weller, who ran extensively with Burroughs before shooting began. "We talked about politics and governments and seductions and drugs and art. And about how criminalizing drug addiction is ongoing history, creating criminals out of people who are sick."

Weller describes Naked Lunch as a movie about "addiction, lies and freedom." His character is trying to assassinate his guilt over killing his wife, Joan, who is played by Australian actress Judy Davis. Burroughs accidentally killed his wife with a handgun in 1955. "It's like an accusation for me, to write," said Weller. "I've had a character named Joan. Before it was clear, he asked, 'I'm not going to tell you a God damned thing about my personal life.'"

But Weller talked enthusiastically about Cooneyberg, when he described as "a ghaz, ghaz, ghaz." To make Naked Lunch, the actor covered down a lucrative offer to star in *Capote*, which is now being filmed in Atlanta. "Instead, I'm freestyling my butt off in *Tropicana* doing a movie about an aging drug addict homosexual who killed his wife. But I'd rather be doing that than any other movie I can think of." Weller dressed the last of the marital scenes, dropped his crotch, and into the bottle and prepared to go back to the desert.

BRIAN D. JOHNSON

Groom and doom

A nuptial farce is annulled by its script

THE MARRYING MAN

Directed by Jerry Blash

It sounds like a marriage made in Hollywood heaven. Two glamorous stars, Alec Baldwin and Kim Basinger, sign up to play lovers in *The Marrying Man*. Their on-screen chemistry is fueled by an off-screen romance. And the script causes the limited variety of veteran playwright Neil Simon,

having him, he forces them to get married at sunset. It is a funny scene. The second marriage is less funny, the third even less, and so on.

The meddling script takes some baffling detours, suddenly descending from farce to drama, then changing back to farce. And it is stocked with heavy subplots, including many variations of Charley's axiom that "If you're not for a woman, you can let her go to screw



Basinger: a lovely poet, but very little seems to be going on behind the eyes

who all but invented the shot-proof romantic comedy. The story is simple: a playboy late named Charley (Baldwin) and a sultry lounge singer named Vicki (Basinger) meet and separate over and over and over again. But the path to Hollywood's high-concept altar was not smooth. By all reports, the script turned into a nightmare as Baldwin and Basinger belated the competing genre drama. The result, he believes, is a movie that is about as exciting to watch as a city hall wedding.

The comedy is promising at first. Charley, the penniless son of a bankrupt speculator, is engaged to marry Alice (Dorothy Strick), the prize daughter of a powerful Hollywood producer (Robert Loggia). Six days before the wedding, Charley's business dog has to Las Vegas for a final bachelor party. Determined to settle down, Charley says that he has no more of "hot" women. But his wife escapes in a Vegas nightclub, where he is married by Vicki as she vomits onstage. When her boyfriend, gangster Bugsy Siegel (Arnold Amador), catches them

up your life." Or a movie. Baldwin is a good actor but, opposite Basinger, who displays the emotional range of a bored runway model, he turns into an equal-opportunity bimbo. Basinger has a lovely poet soul as a woman of blonde hair, but very little seems to be going on behind the eyes. She does, however, sing with surprising competence—although her performance recalls only how much more electrifying Michelle Pfeiffer was as a lounge singer in *The Fabulous Baker Boys* (1989).

Director Jerry Blash displays a cynical attitude towards his stars. The camera dwells on Basinger's mouth and chin as her costar's worried man of chest hair as if it contains some hidden code to her character. The star couple's love scenes, meanwhile, are perfunctory, more silly than sexy. And the whole movie seems strangely adult, lacking coherence or consistency. Like many marriages, *The Marrying Man* falls apart long before it is over.

B. D. J.

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Mental mazes

A fashionable philosophy gets a drubbing

SIGNS OF THE TIMES:
DECONSTRUCTION AND
THE FALL OF PAUL DE MAN
By David Lehoucq
(General, \$18 paper \$29.95)

Deconstruction, writes American poet and critic David Lehoucq, "awaits the winter happens when your four-year-old has a major meltdown with his Erector Set." But, for the unaided, it is the name of a philosophy of linguistic criticism that originated in France and invaded North American university campuses in the 1970s. Its practitioners analyze verbal and rhetorical structures in minute detail, with the aim of showing how all works of literature break down—or "deconstruct"—until a web of contradictory meanings. Most people are still unlikely to have even heard of deconstruction, even though it may be subtly altering their social environment. A practitioner of college academia has already discovered its method of critical analysis, while it has begun to affect the way that major professional journals in such fields as history, architecture and the law. According to Lehoucq in his shapely new book on the philosophy, *Signs of the Times*, its highbrow company the term has become "the struggle of fancy French students in the hallway of a banal observation."

His criticism makes deconstruction sound like a harmless droll, a sort of *Play-Doh* for intellectuals. But it is changing perceptions of reality, particularly in the United States. Lehoucq is clearly appalled by deconstruction's influence, arguing that it is cynical and morally bankrupt. *Signs of the Times* is a decent, amusing—and thoroughly entertaining—introduction to a philosophy that considers many of the basic tenets of Western thought to be sentimental illusions.

Deconstruction was the brainchild of the renowned French thinker Jacques Derrida, who in the early 1970s found disciples at Yale University, including the brilliant literary scholar Paul de Man. Originally, deconstruc-

tion was a form of literary criticism. Approaching William Blake's famous poem that begins "Tyger, Tyger, burning bright," a deconstructionist might argue that on an obvious level it is about a tiger and the God who made it, while on another it is an unconscious celebration of the artist's godlike status in "creating" a tiger on the page. To a deconstructionist, those contradictory interpretations make sense of it in a clear meaning impossible.

In other fields, too, deconstructionists often



Lehoucq: criticizing a theory as cynical and morally bankrupt

tion was a form of literary criticism. Approaching William Blake's famous poem that begins "Tyger, Tyger, burning bright," a deconstructionist might argue that on an obvious level it is about a tiger and the God who made it, while on another it is an unconscious celebration of the artist's godlike status in "creating" a tiger on the page. To a deconstructionist, those contradictory interpretations make sense of it in a clear meaning impossible.

enigmatisms. To some deconstructionists, even death is simply a verbal problem. "Death," Paul de Man once declared in his characteristically enigmatic way, "is a displaced name for a linguistic predicament."

It all sounds like a lifetime effort to consume sense, which perhaps explains why it has been only modestly successful in Canada, Britain and France. But in the United States, where enthusiasm tend to reach an evangelical pitch, it spread like wildfire through universities. Lehoucq suggests several reasons for its status as the fashionable creed for intellectuals in the 1970s and 1980s. "It proposes a radical skepticism that cuts the tongue of a givensness that cause of any real credibility gaps, hope, compassion and open decisions," he writes. Lehoucq readily acknowledges that there is something to be said for deconstruction. Used in moderation, it is a superb critical tool for ferreting out the hidden meanings of cultural phenomena. But moderation seems to be a virtue that few deconstructionists practice: the examples of deconstructionist writing that Lehoucq quotes are verbose, baroque and incomprehensible.

Lehoucq's most devastating attack on the philosophy, however, concerns de Man. Four years after his death in 1983 it came to light that the Belgian-born scholar had written anti-Semitic articles for a pre-war paper during the German occupation of his native country. The young de Man had suggested that Jews made inferior writers, and that their deportation would be no loss to Europe.

The revelation triggered a wave of words among intellectuals, which Lehoucq recounts in knowing detail. As he points out, the deconstructionist defense of de Man was ultimately self-defeating. Some of his supporters deconstructed his Belgian articles to "prove" that they contained subtle anti-Nazi messages. Others reiterated the deconstructionist belief that the past is irrelevant to an understanding of the present. In the end, such sophistry only undermined the moral vision at the center of deconstruction, and raised pressing questions about why de Man had embraced the philosophy. But it all seems an unnecessary attempt to deny the meaning of his own past.

That question is unanswered. But the de Man scandal helped end the period of deconstruction's ascendancy, although its practitioners still dominate faculties in many American universities. In telling the story, Lehoucq has served up an important reminder that ideas can create as much havoc, in their way, as the guns of an invading army.

JOHN BISHOP

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FOR THE RECORD

Songs of experience

*Joni Mitchell grapples
with middle-age blues*

NIGHT RIDE HOME
By Joni Mitchell
(Geffen/NCA)

Joni Mitchell grew up in public, baring her emotions in stark, confessional songs that made her famous around the world. It was a style of songwriting that served the Alberta-born artist well, and she mid-1970s, when her adventurous personality led her to you and a less intimate approach to lyrics. Then, with her 1980 release, *Big Red Dog*, and the subsequent 1988 release, *Clouds*, Mitchell in a Alan Shore, her songs became topical, dealing with subjects as diverse as war, Indian land claims and night-wing migration. But the change produced mixed results, especially when critics gave way to polemic. Now, Mitchell has made a welcome return to her roots, in both a musical and a personal sense. Her latest album, *Night Ride Home*, features some of her most autobiographical songs in years, many of them performed on acoustic guitar or piano and with little other instrumentation. They reveal that Mitchell, at 45, is grappling with age. While she is not exactly experiencing a mid-life crisis, she is clearly searching for earlier times.

Several songs reflect Mitchell's youth in Saskatchewan. In *Come on from the Gold*, she investigates the magic of a high-school dance when "we touched our fingers... could make our chemistry explode." And in *Ray's Dad's Cadillac*, she conjures up memories of evenings spent with "rock 'n' roll in the dashboard" and "romance in the back." But Mitchell's childhood memories are not all idyllicly nostalgic. In *Cherokee Lewis*, a friend is sexually abused by her father figure.

Other songs portray Mitchell in the present, married to Larry Klein, her bassist and co-producer on the new album. One, the title track, reflects her division marital commitment, while another, *Making Cars Be Doves*, describes some troubled times. In other compositions, Mitchell seems to yearn for the freedom of youth. In *The Only Joy in Town*, a jazz-fueled serenade, she adorns a "blatant black boy," and sings of how there was a time when she would have followed him. Faced with the inevitability of growing old, Mitchell has returned to the candle songs of romantic longings that were her strength in younger days.

SCOTLARD JENNINGS

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THE WELL-INFORMED CHOICE

BOOKS

Outside looking in

An immigrant flourishes
in his adopted country

NO NEW LAND

By M. G. Vassaghi
(McClelland & Stewart, 208 pages, \$19.95)

Forced by revolution to flee his adopted East African home for an uncertain life in the Toronto suburb of Don Mills, Vassaghi Lakani—dark-skinned, middle-aged and unskilled—is trying his best to live in a world that has little use for him. The unlikely hero of M. G. Vassaghi's second novel, *No New Land*, is a softly ghettoed character, but also a sympathetic one. Watching his wife and two children take quickly to their new home, Lakani struggles to cast off his old-fashioned values and, with a childlike determination, vows to fit in. It is no struggle that almost wears him down, until a truly momentous challenge leads him to make peace with himself.

Vassaghi grew up in Kenya and Tanzania before moving to Toronto in 1960, and *No New Land* bears the mark of a writer intimately familiar with the difficulties of being a stranger in a strange land. In his first novel, *The Greeny Snake* (1983), which won a Commonwealth Literary Prize, the author depicted the determination of four generations of Indian immigrants in Africa to maintain their traditions. *No New Land* is a much simpler—and much darker—story of one man's attempts to embrace a world that despises him every where.

The son of middle-class Indian merchants in Africa, where he was a successful sales representative, Lakani takes a series of menial jobs in Canada—it's a losing duck, a printing lot, a doughnut shop. He reflects how "each by itself... he had come down in self-esteem." While the father's position at a drug rehabilitation centre, he begins to regain his confidence. But his happiness is shattered when a disturbed young woman fatally accuses him of rape.

Defending himself, Lakani realizes that he cannot make his way in the New World without drawing on strengths that he brought with him from the old one. "Believe," he muses, "the past tried to fix you from a distance, and you looked away." He realizes that by accepting his lot in this new place, he can "face on the future some empty manhood." It is a simple realization, but one that Lakani reaches only after a difficult journey—a journey that Vassaghi maps with careful accuracy.

VICTOR JOWKE

OBITUARY

The literary consul

Graham Greene was a sublime storyteller

According to his 1971 autobiography, *A Sort of Life*, at 19 a bored and melancholy Georgian Greene found a revolver in a family cupboard. "A small, lifelike short with six chambers like a very egg-shaped." He loaded the pistol with one bullet, put it inside in his right ear and pulled the trigger. "There was a minute click," re-

Those and others in the Greene canon were often rooted in what came to be known as "Greeneland," a troubled, tropical setting that the author knew from firsthand experience: places where good men battle with evil and often lose. When a visit to Haiti, even in the repressive grip of dictator François Duvalier, yielded the dark 1964 novel *The*



Greene: Finding sin and redemption in remote and volatile corners of the world

called *Greenland*, "and looking down at the chamber I could see that the charge had moved into the firing position. I was out by one." Five subsequent novels with Russian settings were to give way to a career crowded with travel and adventure in remote and volatile corners of the world.

Greene, who died at 88 of a blood disease in Switzerland last week, survived to write 24 novels of uncommon distinction. Said British author Kingsley Amis, on hearing of Greene's death, "Until today, he was not greatest living novelist."

Unlike other modern masters such as James Joyce and William Faulkner, Greene did not break new ground or reinvent established forms (novels), he was a sublimely gifted storyteller—one who gained both popular and critical acclaim while mapping the anatomy of a troubled century.

Although many of his early books were what he termed "superficialities," of death with issues of spirituality and morality, and Greene's concern with sin and redemption was played out on an even grander scale in novels that included *The Power and the Glory* (1945), the saga of a Mexican priest.

Greene's critic Gore Vidal O'Brien wrote: "Mr. Greene has been looking for hell all his life and he has found it at last."

One of the six children of school headmaster Charles Henry Greene and his wife, Maxine Raymond, Greene was born in the quiet English village of Beckenham, Kent, on Oct. 2, 1904. As an adult, Greene frequently reflected on the materialist upbringing of his childhood and the rigors of private school. In his biography, Norman Sherry writes that the author's early travels "meant not much more extraordinary than those experienced by many children, except perhaps that his response was more sensitive, his memory more enduring."

Greene continued his studies at Oxford's Balliol College, where, briefly, he was a member of the Communist party. After graduation, he converted to Catholicism, to share the faith of his beloved wife, Virginia (Dorothy) Brown. (The couple, who had two children, separated in the 1950s.) Greene went on to work as a copy editor at *The Times* of London, and while there he completed his first novel, a historical thriller called *The Man Within* (1929).

But it was not until 1938 that Greene made a name for himself as a serious writer, with *Brighton Rock*, an exploration of evil and salvation set at a seaside resort. Then came *The Power and the Glory*, one of his own favorites. However, neither these subject matters, Greene's 68 novels, plays or collections of essays, short stories and articles have proven to be popular. His books, translated into 27 languages, have sold 30 million copies. Greene had a special connection to Canada through Toronto's Lester & Orpen Dennys, which went out of business earlier this year and had been his Canadian publisher for about 30 years. One of the company's principals, Lester Dennys, is Greene's niece, and also edited his second autobiography, *The Quiet Years*, of 1967. (Dennys, for which Lester & Orpen Dennys held the world English-language rights,

Greene's literary output never won him the Nobel Prize that many of his readers thought he had earned. A shy and unassuming man who lived much of his adult life in modest surroundings on the French Riviera, he appeared not to care. But he wrote prodigiously—right to the end. His short-story collection *The Lost World* was published this year, and Sherry says that other books not awaiting publication. In *Edge of Silence*, Greene examined "Sometimes I wonder how old I am. I do not write, even now or point can manage to escape the madness, the melancholia... which is inherent in the human condition." Graham Greene found an essential therapy in his own acts of creation.

GLEN ALLEN

Maclean's

BEST-SELLER LIST

FICTION

- 1 *The Death of Shakespeare*, Derek (1)
- 2 *Change Lamp*, Thomas (1)
- 3 *Pommes*, Durr (1)
- 4 *The Secret Figures*, in *Grey* (1)
- 5 *Howe*, James (a Foreign Country Comes, Mince)
- 6 *Heartbeat*, Shaw (1)
- 7 *The Poems of Poe*, Aust (1)
- 8 *The Difference Engine*, Gibson and Sterling (1)
- 9 *The Secret of Ben Hur*, Hildebrand (1)
- 10 *Knuckle* is *the Game*, Montague (1)

NONFICTION

- 1 *Ben Hur*, Hildebrand (1)
- 2 *Maclean's*, in *Grey* (1)
- 3 *By Heart*, Sullivan (1)
- 4 *So's Newer Bar Lunch* in *the Town*, Adams (1)
- 5 *The Spy Who Was*, Allen, Graham (1)
- 6 *A Life of Pines*, Robinson (1)
- 7 *The Plot*, Taylor (1)
- 8 *Pommes*, Durr (1)
- 9 *A Life on the Pange*, Pange (1)
- 10 *Life After Death*, Vassaghi (1)

(1) Position last week

Compiled by Brian Bellman

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of 18. For Alexander Newry, who couldn't find a parking spot and missed his flight.

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Blame B.C. voters for Vander Zalm

BY ALLAN FOTHERINGHAM

There is a huge misconception in the land. There is the belief, strange as it seems, that the goofy transactions in British Columbia are solely the fault of Bill Vander Zalm, the most famous politician to wander onto the political scene of the West Coast since an itinerant California gold miner named Jed Smith revealed himself. Alas! De Coombs, became the second prong of the province's rotunda in a speech in the legislature lasting 174 hours.

It is all a misunderstanding. The recent *Daily News* public headlines revealing around The Zalm are the fault of only one source. That source happens to be the voters of British Columbia, who history period, decade upon decade, in voting for groovy adults who would be better employed in comic strips.

The province, after all, results in a political *Garrison Book of Records* man—displaying the first cabinet minister in Commonwealth history sent to the chamber for doing a naughty. There would be the former foreign minister in the *Wacky Bennett* days who was found guilty of accepting bribes as demanding an acceptance razz, for favors that wouldn't get you a thick steak in Chicago. The chap is now a game hunter and no-no-drunk, which he had asked for more.

One almost finds a measure of sympathy (though not quite) for the luckless Zalm since he was swimming in such a murky pool. His predecessor, although a certified misanthrope, after he had left office, got a smidgen over another trading shipwreck. The accounts here seem shrouded under layers, except for the B.C. Securities Commission, which lingers on with its investigations. Let us not be too cruel to the confused Zalm, who can be granted only by those who have granted his ethical peers. We have, for example, a chap who was elevated as Speaker of the B.C. Legislature despite a background as an accused slaughterer and still sits at the backbench while convicted of a criminal offence, regarding a small number of coarsening someone else's contented fertility during an election.

One can feel pity for the put-upon Zalm. He



looked down his cabinet table and there was his former attorney general, once semi-embellished, who thanks to the magic of the cellular car phone was detected erasing his love to his side before arranging a white-wine assignment with his puppy in the Victoria prison gallery and then chattering about his plans to subvert a political process.

Vander Zalm should not be blamed for innocent ignorance of the law. Social Credit, his adopted crowd (after failed forays in the Liberal crowd, exemplars of pristine political virginity), gave him useful guidance in the pathways of virtue. It previously had supplied a minister of highways, one Phibing Phil Gagliardi, who was barred from the very grand speeches he had built because of his messy driving conviction that exceeded the lady 300 hours.

It was no surprise, now at all, that the blabbing talk columns would murder those who had preceded him. He found it surprising

that the RCMP recommended criminal charges against his closest cabinet colleague, who had by happenstance donated \$277,000 in history funds to a company owned by a close friend and—surprise!—his campaign manager.

Smiling Zalm cannot be blamed for being confused. The minister who had to campaign after a private company paid his European hotel bills while no government business is still alive and well. The minister who tried to sell his properties to a chap who was seeking cabinet lives in another matter is still lacking. The minister who was president of a company that got a government contract still breathes and lives. The minister of forests who held interests in a logging company is still a Second candidate. The millionaire minister who was embarrassed by money changes in policy that benefited his family trust is, O Lord, now the Speaker.

One of the worsters in The Zalm's cabinet—now sitting to be his successor—was engaged in being lapdogging with the CBC for seven years after he complained that a program announced he was told to the Media. So let us not believe the confused Zalm, who has enough problems with his 3-4-5 countings of \$20,000 at \$130 bills in a Vancouver hotel room after it is handed over by a Taiwanese millionaire in such a situation it is decommissioned that The Zalm is only a simpleton who can rely only on what goes before.

His own agriculture minister, who persevered with an attempt to get a government grant for his family farm! His minister who signed a cabinet order that increased the value of property he owned! The clinical chair who, as a B.C. Hydro director, helped out her son, against guidelines!

It should be no surprise, then, that the past was raised out loud in his early troubles just into his presentism that Jean Charest had his problems also with his critics, that he was being persecuted by the diabolical press and, his voice closed in, that this relentless onslaught of the facts permeated him of the Nazis in his earlier life.

Do not blame this misguided man for his actions. He was a mere automaton, guided by the strongholds of his surroundings. His disciples, entering his vortex who put him in power, remained docile and uncomplaining while he subjugated in his strange version of public morality and private dishonesty.

Bill Vander Zalm is not to blame for the scandal that eventually brought him down. The blame lies at the feet of a British Columbia public that has fully abided over time a standard of conduct in Victoria that has destroyed the reputation now destroyed at the West Coast from the rest of Canada.

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